

## Foundations in Europe: Denmark

# *Where money meets visions*



Ulla Habermann

# **Foundations in Europe: DENMARK**

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# Content

## CHAPTER 1

<b>Introduction</b> .....	<b>5</b>
Research on foundations .....	6
Definition of foundations .....	7

## CHAPTER 2

<b>Profile</b> .....	<b>9</b>
A short history of foundations in Denmark .....	9
Legislation .....	13
Empirical profile .....	15
Sample of foundations in this study .....	18

## CHAPTER 3

<b>Foundation Roles</b> .....	<b>22</b>
A sense of identity, purpose and autonomy .....	22
The “Complementarity”-role	27
The redistributive role	30
Innovation	32
Social and Policy Changes	33
Preservation of traditions and culture	35
Promotion of pluralism	36

## CHAPTER 4

<b>Foundation Visions</b> .....	<b>39</b>
---------------------------------	-----------

## CHAPTER 5

<b>Foundations in a European context</b> .....	<b>43</b>
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## CHAPTER 6

<b>Developments and emerging issues</b> .....	<b>48</b>
New government policies and the autonomy of foundations	48
Internal governance issues facing foundations	50

## CHAPTER 7

<b>Concluding summary</b> .....	<b>53</b>
The secret life of the foundations	54
The freedom of foundations	55
An individualistic self-image – but a similar way of thinking	57
The foundation world is a world of men?	58
A small opening towards Europe	60
Policy implications .....	61

CHAPTER 8

<b>Litterature / References</b> .....	<b>64</b>
---------------------------------------	-----------

CHAPTER 9

<b>APPENDIX: Case-study summaries</b> .....	<b>66</b>
---	-----------

1. Kjøbenhavns Understøttelsesforening: Legatfonden (KUF)	
– Copenhagen's Charitable Association: The Bursary Foundation .....	66
2. Helsefonden (Sygekassernes Helsefond) – The Health Foundation .....	70
3. Velux Fondene (Villum Kann Rasmussens Fonden and Velux Fonden)	
– The Velux Foundations .....	74
4. Carlsbergfondet – The Carlsberg Foundation .....	77
Carlsbergfondet (The Carlsberg Foundation) 78	
Ny Carlsbergfondet (The new Carlsberg Foundation) 78	
Carlsberg's Mindelegat and Tuborgfondet 79	
5. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal	
– The A.P.Møller and Chastine Mc-Kinney Møller Foundation .....	84
6. Egmont Fonden – The Egmont Foundation .....	88
7. Enkefru Plums støttefond – The Plum Foundation .....	92
8. Fonden Realdania – The Realdania Foundation .....	95
Eight foundations in summary – 2002 98	

# Introduction

Why does a small country like Denmark have as many as 14.000 foundations? There are several explanations. Old traditions, a favourable legislation or attempts to evade taxes are only the tip of the iceberg. To this must be added the numerous reasons, which over the centuries have made people set up foundations, and which gives each foundation a special story. Gratitude to the Nation or to God. Secure the existence of the company for future generations. A plight to pay back to society. A wish to celebrate art. An obligation to help those in need. A love for a special cause. A war between heirs. A way to gain influence – or to be remembered. These are just a few examples.

The total assets of the 14.000 foundations are estimated to be approximately DKK 200 billion. But most of the foundations are rather small. In fact the largest 70 own more than half of the capital.

Unfortunately the Central Register of foundations has been abolished. This makes it difficult to come up with exact figures.

However, in Denmark foundations usually are quite anonymous. Nobody knows much about them and with few exceptions they do not seek publicity. It is not unusual that even foundations with large assets do not publish their annual report. Some do not want public insight or interference. Some are just modest or do not want to spend funds on their own “fame”. Furthermore Danish foundations do not seem to have a feeling of belonging to a special “sector” in Danish society, they have no “common identity”, and they all see themselves as being unique.

Most Danish foundations work inside the Danish borders. Usually the statutes do not allow any donations for foreign countries. The explanation that is often put forward is that the money is generated in Denmark and therefore should remain here. A few foundations have (as shown later in this report) re-interpreted their rules in the name of globalisation and supported projects outside Denmark, but these initiatives are clearly exceptional.

This corresponds with the fact that Danish foundations show very little interest in being internationally active. Until now, only one single foundation has become a member of The European Foundation Centre, and only a handful have attended one of its meetings. The issue of a common – not to speak of a European – foundation policy is not on the agenda among Danish foundations. As noted by one of the interviewees “We live in a cosy little corner, there is no need to meddle with our favourable conditions”.

This does not on the other hand mean that Danish foundations isolate themselves. When it comes to the practical work foundations often set up partnerships with each other, with voluntary organisations, with business companies and with the state and the local authorities. However, the eight foundations interviewed for this study are very keen not to be taken for granted. They do not “automatically” want to have a role of complementarity in their relationships with the state.

## Research on foundations<sup>1</sup>

As already mentioned, in Denmark foundations usually are quite anonymous and often prefer “a quiet life”. This is reflected in the way knowledge in this field is almost conspicuous by its absence.

In a way this also is a mirror of the lack of interest society on the whole has shown the “secret life” of foundations. The Danish literature on foundation theory and history is extremely meagre. Foundations are under-researched and there are no common theoretical models for the way foundations act and function.

Lynge Andersen (2002) identifies two reasons for this academic and administrative lack of interest. *Firstly*, in earlier times, respect for the idea of setting up foundations was integrated in the norms and traditions of society. It was readily accepted that “good people” donated money for “good causes”<sup>2</sup>. This tradition seems to have more or less survived even today, although from time to time a short-lived public debate questioning the role and activities of foundations flares up. *Secondly*, foundations have not until the middle of the 1950s been used as an instrument for tax-exemption – at least not in greater numbers. At that time “stiftelse” became “fond”. Andersen finds a noteworthy difference in the tone of the younger literature, where the authors are more concerned with the founder’s interests in his business and profit than with his intentions of “doing good”.

The early literature clearly states that the “will to charity” and feelings of patriotism combined with an urge to be remembered by later generations are important factors in understanding foundations (Philomusus 1771). Later it was stated that foundations should have purposes that are useful for society but which cannot be dealt with by the state (Oppermann 1860). In 1872 Nellesmann refers to the difference between origin/“oprindelse” (private and public) and purpose/“øjemed” (charitable or business). Olivarius published a book on the administrative praxis in 1910. And between 1910 and 1963 practically nothing was written on the subject.

Then Kaufmann’s book on foundations was published in three editions from 1963 to 1973 – and was followed by several important articles. Kaufmann was especially

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1 For a more comprehensive reading see Lynge Andersen 2002 pages 105-121.

2 An example is The Carlsberg foundation set up in 1876. The gift of the donor, A.C. Jacobsen, was so grandiose that questioning it would have been almost blasphemy.

interested in investigating the Danish speciality: the “selvejende institution” (self-governing institution).

In the 1980s and –90s the theoretical interest in foundations grew as foundation laws were being taught in the universities (Lyng Andersen 1996 and 1998). But in comparison to other Scandinavian countries<sup>3</sup> very little research has been done apart from Lyng Andersen's writings, his dissertation from 2002 and a few students reports. In addition, there have been several in depths historical studies normally published on the occasion of anniversaries and jubilee celebrations.

However, Denmark has a rich administrative praxis in this field, which would be an interesting base for more research (Lyng Andersen 2000). This report can be seen as one attempt to add to the knowledge of Danish foundations.

## Definition of foundations

There is no legal definition of foundations, but the law is based on the following characteristics:

1. assets must be irretrievably separated from the means of the founder
2. aims can be one or several
3. an autonomous board has the authority of disposal of the assets
4. the foundation is legally regarded as an independent juridical person
5. no person – physical or juridical – outside the foundation has the ownership of the assets

The law requires that a foundation has specific statutes, a board, and a certain size of capital and sets up rules for annual reports and revision.

These criteria for defining and ruling foundations in Denmark fit quite easily into the working definition posited by the Centre for Civil Society (CCS). There is in general no difficulty in defining Danish grant-making foundations as non-profit, non-membership based, private and self-governing.

Also many of them serve a “public purpose”. It is however on the basis of the present data not possible to tell exactly in *how many* of the foundations the purpose is a part of the public domain. As mentioned above many smaller foundations serve a narrow group of family members, employees or inhabitants in special institutions. These foundations are not “public” and often choose not to be registered.

Also many foundations registered in the KRAK-directory<sup>4</sup> cannot be applied for. However this does not in all cases mean that the foundation is not “of public utility”, but rather that the initiative to give out donations rests with the board or the administration.

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<sup>3</sup> In 1999 a Nordic Research Network on Foundations was set up.

<sup>4</sup> The KRAK-directory (2002) is a manual of 8.300 Danish foundations.



In short, foundations could be regarded as an empty legal form used by different “parties of interest” – private individuals, families, enterprises, cooperatives – as well as the state. The government or local authorities can choose to use the foundation-form to set up a non-state entity.

Critics have pointed out that this is a way to evade long democratic processes and political /legal interference as foundations are autonomous entities.

# Profile

## A short history of foundations in Denmark<sup>5</sup>

In Denmark foundations and charitable institutions<sup>6</sup> have existed since the Middle Ages. Traditionally the foundations were connected to the Catholic Church and its charitable work such as poor-relief and caring for the sick. Often the church was donated sums of money for charitable purposes, and it was common practice to dole out money for the poor in the parish in conjunction with a mass for the donor. In the repercussions after the reformation in 1536 conflicts were generally avoided and the foundations adapted to the new societal order (permutation)<sup>7</sup> (Møller 1987). From mid-1500 foundations with educational purposes were set up<sup>8</sup> as well as foundations that provided accommodations/homes for special groups – often the aristocracy<sup>9</sup>. Other foundations were set up in order to donate money for specific reasons – often but not always charitable – and were meant to create a memory of the founder and his family. Rules and regulations were few and the foundations largely lived their own life with very little interference from the authorities.

As early as 1780 the first survey of foundations was completed and showed that 2500 foundations were in existence at that time – 50 of these dated back to the years before the reformation (Kauffmann 1973).

It was not until the late 18<sup>th</sup> century that foundations with cultural purposes, corporate foundations and companies owned by foundations became common. But the company-foundations did not become an important factor in society until the 1950s (Lyng Andersen 2002).

Investigations into the business activities of foundations have revealed that they do not perform worse than family owned companies, limited companies or other forms. Rather they tend to perform better, which might be one reason to turn a business enterprise into a foundation ownership (Møller 1987, Dalager & Rasmussen 1994). Other reasons for this may be to avoid the splitting up of the company, to avoid rivalry among family

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5 The author thanks associate professor, Søren Federspiel, Copenhagen School of Economics, for valuable input and comments on the history of Danish foundations.

6 In the Danish language different names were used, such as *stiftelser*, *legater*, *fonde*, *selvejende institutioner*. Before the foundation laws from 1984 all names were used at random according to the prevalence of the founder. And the new laws did not insist on the use of the word “fond” (foundation) – although after 1985 it was requested that “fond” should be a part of the name of the foundation eventually put in brackets: “Elmersens legatstiftelse (fond)”. (Lyng Andersen 2002).

7 Permutation: if the purpose of the foundations is evidently out of step with the norms in society alterations in the by-laws may be permitted.

8 Examples are Herlufholm school (1565), Walkendorf college (1595) and Regensen (1623) – which all still exist today.

9 The so called “cloistres” of the nobility (adelsklostre) . Ex. Vemmetofte 1735 and Vallø 1737. This tradition was later followed by different trades and other groupings.

members, to avoid taxation and/or to wish to do good in general or in the interest of the Nation. Danish foundations were established for a mixture of these reasons.

Foundations bloomed in the wake of the national-democratic movement that swept the country during the second half of the 19<sup>th</sup> century. A free democratic constitution was created in 1849, and in 1864 Danish nationalism awoke as a result of the war against Prussia/Germany as the southern parts of Jutland (Slesvig) were seceded to the Germans.

This event marked a turning point in Danish history, and a motto for action in several generations to come was formulated: *“What externally is lost shall internally be regained”*. The foundations established in this period had a vision of a golden age to which they wished to return or re-establish in order to overcome the national defeat of 1864. The ideal was to build a line of defence “in every Danish heart” rather than to seek revenge by conquest. An example is The Carlsberg Foundation of 1876, which had a clear-cut national mission encouraging research into and promotion of Danish history. This resulted in a monument – the National Historical Museum of Frederiksborg. But many other activities were kindled by the nationalistic wave.

After 1864 the Danish population was reduced by a third and Denmark’s territory was suddenly 40 percent smaller. A large part of the population lived on the breadline, infant mortality rate was high, food was unhealthy, working conditions were inhumane, and furthermore there was no social mobility and the suppression of servants, workers and women and children was a “natural” thing, not to be shaken and almost a God given fact. (Jensen 1996). In short it was dark times and the need for new optimism, defiance and wilfulness was desperate. Philanthropy became the bourgeois answer to this. The founders were not specifically progressive politically seen. They descended from bourgeois families and did not especially want to alter social conditions. But they saw the need for social reforms on the one hand and for a new national morale on the other. Their contributions came through charity and the promotion of art and science.<sup>10</sup>

The beginning of the 20<sup>th</sup> century saw a new type of foundation. Established under the influence of the emerging industrial society and an opening up of the democratic process the new foundations adopted a new sense of social responsibility. Driven by social indignation and social empathy the foundations of this period competed and collaborated with the emerging Welfare State.<sup>11</sup>

Many of the bigger Danish foundations were founded as late as after the Second World War in the 1950s and the industrial breakthrough that turned the dominating rural mode of production into an industrial one. The result was a growing public interest in the affairs of foundations, which had hitherto been left with no regulations – no registration,

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10 J.P.Jacobsen (Carlsberg) always made a clear distinction between the two. All his life he was active in both fields, but in charity matters he preferred to be anonymous. (Glamann 1990).

11 The Egmont Foundation of 1920 belongs to this new type of foundation, concentrating on helping single mothers and their orphans. It managed to become one of the biggest private foundations in this field of philanthropy in Denmark.

no taxation, and no legal basis. In fact the foundations lived a very anonymous and somewhat “secret” life.

From 1960 until 1980 a considerable growth in the number of foundations can be found. (See table 1). This means that the number of foundations was more than doubled (from 4099 to 8852) during a period of 20 years. The focus on the foundations was narrowed, and this was followed by changes in legislation (See below).

And the growth continued. In 1994, 12.000 foundations were known. Most of these were relatively small. But the total assets were considerable. In 1982 it was 29 billion Danish crowns, and in 1994 it had grown to 80-90 billions (Dalager & Rasmussen 1994). In 2002 it was estimated to be app. DKK 200 billion (Krogh Andersen 2002).

<b>Table 1: Known number of foundations in 1983</b>		
Year of founding	number	%
Before 1963	4099	46,3
1963-1977	1636	18,5
1978-1981	1316	14,9
1982-1983	534	6
Unknown year	354	13
Total	8852	
Source: Lynge Andersen 2002		

As shown above the Danish foundations have developed in the context of societal developments. In fact one could say that they have mirrored the development and the current issues of the nation – just as other voluntary organisations have done. But the question is as to whether they have been able to adjust their statutes to the ongoing development? Permutation by the way of law often seems difficult – another option is to interpret the statutes in new ways; but this is only possible if the wording of the statutes is not too concrete. A brief review of the development of The Egmont Foundation in relation to the expanding Welfare State can contribute as an example.<sup>12</sup>

The story of The Egmont Foundation reveals a close relationship with the expanding Welfare State. The Foundation gradually adapted its social programmes and emerged as a professional grant- maker, which was able also to influence the legislation and the performances in the social area of government and municipalities.

Around 1920 The Egmont Foundation had the provision of food as part of its programme. At the same time the city of Copenhagen during the First World War had been active in seeking to address the matter of hunger by setting up “civic kitchens” (Folkekøkkener), leaving The Egmont Foundation to concentrate on individual grants for single mothers and their orphans.

<sup>12</sup> Thanks to Sören Federspiel for this example.

In 1933 new social welfare legislation made the Egmont Foundation change its policy once more. The result was the establishment of professional procedures similar to business companies, which included the transfer of the individual grant making to a professional institution for the care of mothers (Mødrehjælpen). The Foundation also started out on a new strategy of “investing in bricks” – i.e. buildings – and in people. The “brick strategy” was delayed by the Second World War (1939-45) and did not come into being until the 1950s when the first Egmont Colleges for students and single mothers were built.

In 1976 a new all-embracing social legislation (Bistandsloven) again made The Egmont Foundation rethink its philanthropic strategy. The result was the establishment of a professional administration in 1977 followed in the 1980s by a new policy of philanthropy – the idea of initiating projects.

The Egmont Foundation embarked upon the new line of philanthropy with the so-called Future Studies, an epoch-making project conducted by a number of social scientists. The Future Studies spurred on the discipline of future studies in Denmark. It constituted a concrete basis for the philanthropic activities of The Egmont Foundation from the 1980s onwards resulting in a number of projects such as Centre for Brain Damage, Centre for Social Development.

The 1990s saw the emergence of a new type of knowledge or information-society replacing the old one of production. The knowledge society was characterised by a structure, where the production of knowledge was spread to private and public institutions outside the universities. The Egmont Foundation managed to position itself in the knowledge society first by making grants to knowledge-heavy projects. Later the foundation itself initiated knowledge-heavy projects and conducted them within its own framework. The projects, after pre-qualification, were followed closely, supervised and evaluated by experts. The government adopted this “project-method” with social pools for external projects (SUM-midlerne 1988-91).

Several answers may be given as to why the Egmont Foundation constantly adjusts its statutes. One answer is that it has been necessary in order to be able to adapt to a developing welfare society. Another answer points to an administration with professional ambitions, which developed along internationally recognised lines of strategic philanthropy.

The “adjustment-strategy” of The Egmont Foundation is not a typical picture. Other foundations often find it difficult to adapt the will of the founder to the changing environment.

The Health Foundation having similar ambitions on the other hand gives an example of the difficulties involved in altering the statutes by permission of the Ministry of Justice. The development in society meant that the Foundation simply was not able to give out all the grants meant for special nursing homes because these homes did not exist any longer. The specific wording of the statutes made it necessary to apply for an alteration, which however was extremely difficult to obtain.

In an international perspective it would seem important for foundations to be living up to European and US standards with a performance characterised by innovation and ability to keep pace with new demands, changing conditions and a rapidly forward moving society.

This cannot be said of the Danish foundations on the whole. In Denmark foundations have traditionally lived their own lives satisfied with the role of “doing good” – following the will of the founder, each of them in splendid isolation and keeping a low profile in the public eye. However, in our age of information gradually a more open attitude towards the environment is inevitable – and six of the eight foundations interviewed for this study do have websites, which give the public access to some – often carefully chosen – knowledge.

The Danish foundation environment – in contrast to that of Europe, not to speak of that of the United States – has never developed into organised networks, and the general lack of openness may in the end be related to a national homogenous society turning its back on the world. The ambiguous attitudes in the population to the European Union during almost 30 years may contribute to explain the fact that only one Danish foundation (The Egmont Foundation) is a full member of the European Foundation Centre and member of the Hague Club.

## Legislation

Until 1984 Denmark had no proper law complex in the field of foundations. However, in the 1970's the public debate about foundations had assumed such proportions that the government felt a need to set up a committee to look into the matter of the “secret life of the foundations”. The debate in question focused on the favourable rules (or rather lack of rules) for taxation and also on the need for more public control as to whether the foundations live up to their purpose. In December 1977 a television programme with the title “The dead Hand”<sup>13</sup> brought the discussion to a boiling point. It also demonstrated that the public knowledge about foundations, their numbers and activities was very scarce indeed.

In 1978 the Social Democratic government set up the Foundation Commission with the aim of acquiring further public control over the foundations. After a Liberal government had taken over in September 1982, the key question of taxation was solved as far as the corporate foundations were concerned. And it was ensured that philanthropic and charitable activities were not and still are not to be exposed to taxation.

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<sup>13</sup> The expression “The dead Hand” (mort main) has been known for centuries and represents the principle that capital should not be bound outside common trade or transactions. Setting up foundations violate this principle and this is probably the reason why the foundation law stresses the rule that surplus must be distributed. (Lynge Anderson 2002).

The work of the commission resulted in four laws:

1. Registreringsloven, 1983 (The Registration law)
2. Lov om fonde og visse foreninger, 1984 (Law on charitable foundations and certain associations)
3. Lov om erhversdrivende fonde, 1984 (Law on corporate foundations)
4. Lov om beskatning af fonde, 1986. (The Taxation law)

### **1. The Registration law**

According to the Registration Law all foundations with a capital of more than 50.000 Danish crowns (DKK) were obliged to register and an evaluation of the by-laws of the foundation was carried out. For new foundations (founded after 1985) the capital requirements were 200.000 DKK (In 1991 increased to 250.000 DKK).

On the basis of the registration it was possible to map the world of foundations. The survey showed that in 1982, 8852 foundations had assets of 23 billion DKK, but they were extremely unequally distributed. 69 Foundations owned more than half of the capital. Lyng Andersen (2002) points out that the total capital probably was much bigger, because the usual practice was (and is) that foundations have an “old-fashioned” bookkeeping and do not update assets to the real value of “to-day”. In 1982 the foundations had a surplus of 2.2 billion DKK and the distributions amounted to 800 millions. This meant that in many cases the foundations accumulated their surplus instead of distributing.

In 1992 the Registration Law was abolished on the grounds that the local tax-authorities had all necessary information and that a double registration was too bureaucratic. This was a lamentable decision. As a result the transparency and a general overview of the field of foundations were reduced and the openness and accessibility of the field was lost.

### **2 and 3. The laws on charitable and corporate foundations**

The Foundation Laws aimed to secure the distributions and to support the charitable (almennyttige) character of the foundations. The laws ensure that foundations with a large accumulation of capital should have a greater incentive to distribute their means to the public according to their purposes. And stresses the importance that foundations remain economically independent (self-governing) of the founder.

Also, charitable foundations (almennyttige) and corporate foundations (erhvervsdrivende) were separated into two different laws underlining the different nature of charitable and corporate foundations. Common rules for both types of foundations are that they are subjected to public (state) control and that statutes cannot be altered without consent from the authorities.

#### 4. The taxation law

The aim of The Taxation Law was to place corporate foundations (erhvervsdrivende fonde) on a par with business co-operatives in relationship to taxation-rules. This means that all income (like interests, inheritance, gifts, fees and profit due to appreciation) and not only surplus must be taxed. *This, however, does not affect the charitable foundations, which are exempt from paying taxes.* The only difference from the time before the law is that they now have to apply the Ministry of Justice (Civilretsdirektoratet) for this exemption.

As shown above Danish charitable foundations thrive on favourable legal conditions, uninterrupted historical traditions and a climate of tranquillity – or disinterest – in the public debate. This provides “a cosy little corner” for the foundations to operate in. But it also contributes to a kind of secluded life. Many foundations find it difficult to adapt to the changing environment and to new social conditions. In the following section the attempt is made to draw an empirical profile of the present situation in the field of charitable foundations in Denmark.

#### Empirical profile

The first complete mapping of charitable foundations (almennyttige, ikke-erhvervsdrivende fonde) in recent times was published by KRAK in 1988.<sup>14</sup> It contained names and information on approximately 10.000 foundations, which were registered according to the foundation law.<sup>15</sup> Some foundations with a very small capital (less than DKr 50.000) were not included because they were not obliged to register according to the law.

A new edition of the KRAK register (2001) showed only 8.700 foundations. A telephone call to KRAK in September 2002 revealed that merely 8.300 foundations were registered in the database. The reasons for this decline in registered foundations are several. First, according to a new foundation law from 1992 the foundations are no longer obliged to register, and the central registration authority (Fondsregistret) was abolished. This means that there is no longer a central registration of foundations in Denmark. The result is that an exact record of foundations is no longer available.

Second, many foundations have assets that cannot be applied for because they are given to a “closed” group of people (mostly family members of the donor). Many of these foundations are no longer in the KRAK-register because they prefer not to go public.

Third, it is up to new foundations to decide whether they want to enter the KRAK-database. Many are not interested because they have to pay for this service. This means that the editors of the database are often left with information, which they quite accidentally could pick up, from newspapers.

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14 Kraks Fonds- og legatvejviser. Fortegnelse over 10.000 fonde registreret i Fondsregistret. København. KRAK 1988.

15 Lov om Fonde og visse Foreninger ( 6.june 1991 and 23.march 1992 ) og Lov om Erhvervsdrivende Fonde.



In reality the number of foundations does not seem to have declined. The Ministry of Justice (Civilretsdirektoratet) being responsible for the legislation about foundations estimates about 11.000 – 12.000 foundations in all. Experts in the field talk about a total of 14.000 foundations, and of those the biggest 69 foundations have half of the (total) capital at their disposal. But no single source can provide the exact number.<sup>16</sup>

The foundations registered in KRAK (used here as the best possible source of information) can be grouped as follows (See table 2):

1. Foundations that support individuals
2. Foundations that support organisations
3. Foundations without a definite target group

Each of the three groupings has subgroups based on the purpose of the foundation. These categories correspond relatively well with the ICNPO categorisation, but may need some adjustment. However they serve well as a base for the sample of foundations for this report.

The subgroups are the following:

- a. social services and health
- b. education
- c. research
- d. religion
- e. culture-, sport- and environment
- f. business
- g. others

In Table 2 a total of 22.369 foundations are shown although only 10.000 were registered at the time. This means that several foundations have more than one target group and therefore appear several times in the register under different headings. However, the aim of Table 2 and 3 is not to focus on the *exact* numbers, which as mentioned can only be estimated. Instead the table shows an overall picture of the relationship between the target groups and gives an indication of which fields of activity are the most “popular”. Table 2 shows that 60 percent of the foundations are targeted towards individuals – 20 percent towards institutions, organisations and that 19 percent do not have a definite target group. The most “popular” cause is definitely social needs and health (40 percent); company foundations<sup>17</sup> account for 20 percent, education 17 percent, culture, sports and environment 10 percent, research 7 percent, religion 3.5 percent and “others” 2.5 percent.

<sup>16</sup> Lyngø Andersen, L. (1999): *Fra Stiftelse til Fond*. Handelshøjskolen, København.

<sup>17</sup> Support for employees.

By comparing the 1988 distribution with the entries in the KRAK register of 2002 some important differences are shown (table 3). The number of entries has decreased – as expected – but also the distribution among the different groups has changed. While social and health issues have remained stable, the fields of education and research have a greater share – from 24 percent to 40 percent. Religion and culture/sport/environment both have a slightly smaller share, while the entries from “business-foundations” has decreased remarkably – from 20 to 7 percent. The reason for this can probably be found in the fact that it is no longer obligatory to enter the central register. More and more foundations which either have very small assets or which are not open for the public choose not to register. As said earlier – the number of foundations have not declined – but fewer foundations choose to have their name published.

<b>Table 2: Danish foundations registered in KRAK 1988 (number of entries)</b>				
	Foundations that support individuals	Foundations that support organisations	Foundations without a definite target group	TOTAL
Social issues and health	6146	1427	1357	8930 (40%)
Education	2910	446	360	3716 (17%)
Research	325	239	1029	1593 (7%)
Religion	105	455	166	726 (3.5%)
Culture, sport, environment	111	1125	943	2179 (10%)
Business	3145	966	428	4539 (20%)
Others	582	71	33	686 (2.5%)
	13324 (60%)	4729 (21%)	4316 (19%)	22369

<b>Table 3: Danish foundations registered in KRAK 1988 and 2002 ( total number of entries)</b>		
	Year 1988	Year 2002
Social issues and health	8930 = 40%	5640 = 39%
Education	3716 = 17%	4320 = 30%
Research	1593 = 7%	1372 = 10%
Religion	726 = 3.5%	314 = 2%
Culture, sport, environment	2179 = 10%	1182 = 8%
Business	4539 = 20%	940 = 7%
Others	582 = 2.5%	540 = 4%
	22369	14308

However, this does not indicate anything about how much money each of these categories receives or how big the total capital is. Experts estimate 200 billions Danish

crowns (Lynge Andersen 2000). But there is seldom any indication of the assets of the foundations or how much money is being given as grants. Neither is there always information about the year of founding. For some reason or other the Danish foundation world is not very open about their capital operations or their reasons for conducting their activities. And many do not publish an annual report.

The central statistical bureau in Denmark, however, has some data about employment figures in the foundations. According to Danmarks Statistik in “benevolent foundations”<sup>18</sup> we find 1197 employees – corresponding to 464 full time jobs. Of the estimated 12-14.000 foundations only 947 – less than 10 percent – have their own administration. And these 947 charitable foundations with their own administration in average employ 1.3 person.

However – 90 percent of the foundations do not have their own administration – and are administered by lawyers, local priests, schools, universities, associations and societies, voluntary organisations, trade unions, counties, ministries, hospitals, other foundations, enterprises or private persons.

## Sample of foundations in this study

As shown the difficulties of getting access to reliable data on foundations in Denmark makes the picture somewhat blurred. Therefore, for this sample foundations have been chosen on the criteria that they

1. *“Make a difference” in the community.* That means that they should make a considerable and important economic and/or value contribution to their target fields.
2. *Have their own administration.* This means that the sample rules out more than 90 percent of the foundations.
3. *Represent the most important target fields (in Denmark)* – that is social and health issues, education and research and culture/sport/environment.
4. *Represent “traditional” as well as “new” forms of operating.* “Traditional” ways of operating are seen as donations given according to applications with no initiatives taken by the foundation. “New” ways of operating means that foundations are proactive and take initiatives. Often foundations mix these ways of operating.
5. *Explore 100 years of foundation history* – old and young foundations (the foundations in the sample cover the years 1874 –2000).

The eight foundations chosen for further examination in this report are:

1. Københavns Understøttelsesforening (*Copenhagen’s Charitable Association*) founded 1874 with the purpose to help the needy and deserving poor.

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18 Legater og fonde med velgørende formål – brancekode 85.32.60.

2. Helsefonden (*The Health Foundation*) founded 1973 to support health and social medicine.
3. Veluxfondene (*The Velux Foundations*) founded 1971 and 1981 to support a broad spectrum of charitable and non-for-profit scientific, cultural and artistic activities.
4. Carlsbergfondet (*The Carlsberg Foundation*) originally founded 1976 with the aim to promote science and art in Danish society.
5. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene formål (*The A.P. Møller and Chastine Mc-Kinney Møller Foundation*) founded in 1953 to contribute to charitable purposes.
6. Egtmont Fonden (*The Egtmont Foundation*) founded 1920 to prevent social and health problems and to enhance relations between people and the quality of life.
7. Enkefru Plums Støttefond (*The Plum Foundation*) founded 1998 in order to support the promotion of human rights and democracy.
8. Realdania (*Foundation Realdania*) founded in the year 2000 to support non-profit and charitable activities in the building sector.

The tables 4 and 5 (below) categorising the sample according to different criteria need some explanatory comments.

In Table 4 an attempt is made to place the eight foundations in this sample according to the criteria “grant-making” and “operating”. However, the placement is almost impossible because so to speak all of the foundations at least to some extent mix these ways of making donations.

The term “country-specific” in this case means that foundations take a special interest in minority groups connected with Danish history and geography – for example Greenland or North Schleswig.

Table 5 shows the same foundations according to “purpose and founder”. Again each foundation often has multiple purposes, and the choice has here been to place the foundations according to the purpose for which they are most commonly known in the public. As regards to the founder-criteria it should be noted that for all of the foundations placed under “corporate” it applies that the will of an individual – the founder of the company – has caused the creation up of the foundation.

<b>Table 4. Foundations: type and form</b>			
	Mainly Grant-making	Mainly Operating	Specific types/ Community foundations
Older, “traditional”/ established foundations	1. Københavns understøttelsesforening 2. Helsefonden 3. Veluxfondene 4. Carlsbergfondet	6. Egtmont Fonden	
Younger, “new” foundations		7. Plum Fonden	8. Realdania
Country specific foundations	5. A.P. Møller og Hustrus Fond		

**Table 5. Foundations: purpose and founder**

Main purpose:	Individual Group of citizens	Corporate	Government created/sponsored
Social issues	1. Københavns understøttelsesforening	6. Egmont Fonden	
Health			2. Helsefonden
Education and research		4. Carlsbergfondet (5. A.P.Møllers Fond) (6. Egmont Fonden)	
Culture/ Environment/ Politics	7. Plum Fonden 8. Realdania	3. Veluxfondene 5. A.P. Møllers Fond (4. Carlsbergfondet) (6. Egtmont fonden)	

(As shown in brackets some foundations have several purposes)

Table 6 below gives a summary of the activities of the eight foundations. For further information see the case study-summaries in the appendix.

**Table 6: Eight foundations in summary – 2002**

	Year of founding	Capital in Million Dkk	Sum of Yearly grants in Million Dkk	Number of Yearly applications	Number of applications supported	Board members	Administration
1. Københavns Understøttelsesforening	1874	23	1	Not published	552 (almost all)	3 members no women	1 employee (a man)
2. Helsefonden	1973	600	30,3	654	202 (=31%)	7 members 2 women incl. chair	4 employees 3 women
3. Veluxfondene	2,0e+07	1200	108	1417	211 (=15%)	11 members 3 women incl. chair	8 employees 6 women
4. Carlsberg fondet	1,9e+15	8627	331	3281	1126 (=34%)	17 members 2 women	23 employees 18 women
5. A.P. Møller og Chastine McKinney Møllers Fond	1953	Not published	More than 500	987	95 (=10%)	7 members 2 women	3-4 employees 2 women
6. Egmont Fonden	1920	Not published	222	1403 projekts and 580 individuals	26 projekts (=2%) and 316 individuals (=55%)	5 members no women	5 employees 5 women
7. Plum Fonden	1998	83	32	47	40 (=85%)	8 members 4 women (incl. chair)	1 employee (a woman)
8. Realdania	2000	23500	318	585	125 (=21%)	10 members 1 woman	22 employees 9 women
Total	From 1874 to 2000	34.033 billion (Egmont and AP. Møller not incl.)	13.137 billion (a low estimate)	9554	2693 (=28%)	68 members 14 =21% women (incl. 3 chairs -38%)	68 employees of these 44=65% are women

- ▶ As shown above the eight foundations cover the last 125 years of foundation history – being founded between the year 1874 and the year 2000. There is no connection with the year of founding and the size of assets and grants. Large/small donations come from as well young as old foundations.
- ▶ All in all the eight foundations have a capital of 34.033 billion DKK – and this is a low estimate because the Egmont Foundation and the A.P. Møller Foundations could not be included as they do not publish this information. A qualified guess would be that if these two foundations were included the total assets would be raised by 10 – 15 billion DKK.
- ▶ About 13 billion DKK were donated in 2002 – and this amounts to app. 27 percent of the total assets (incl. Egmont and A.P.Møller). But as the table also shows the sum of yearly donations differs greatly – from 1 million in Copenhagen's Charitable Association to 331 million in The Carlsberg Foundation and more than 500 million in A.P. Møller and Chastine Mc.Kinney Møllers Foundations.
- ▶ The foundations received in total 9554 applications in 2002 – The smallest number being 47 in the Plum Foundation and the largest 1417+580 applications in the Egmont Foundation. Oddly enough the number of applications a foundation receives does not always correspond to how much money the foundation can donate. There is seemingly no logical connection between the number of applications and the expected donations. Copenhagen's Charitable Association donating 1 million DKK a year and The Real-dania Foundation, whose yearly donations amount to 318 million DKK both receive approximately the same amount of applications.
- ▶ The foundations differ significantly when looking at the percentage of applications complied with. All in all about 28% of all applications are supported. But while a few foundations try to comply with as many applications as possible the more common trend is to choose projects to fit the present policy of the foundation. An extreme case of prioritizing is found in the Egmont Foundation, where in 2002 1403 project-applications were received and 26 – merely 2% – were supported.
- ▶ The boards have between 3 and 11 members. All in all 68 board members are engaged in the work of these eight foundations.
- ▶ Of those 14 (or 21%) are women. Three of the chairs are women. This gives a relatively high share of women (38%) compared to the share of board members.
- ▶ The foundations have their own administration varying in size from 1 to 23 employees. All together 68 employees work for the eight foundations – 44 (or 65%) of these are women.

# Foundation Roles

The eight foundations included in the qualitative part of this study cannot represent all Danish foundations. Neither can the interviews be used as an expression of attitudes in Danish foundations as such. However, the included foundations are carefully chosen to fit certain criteria as a sample. And seen as a whole they certainly form an important part of the Danish foundation scene – financially and in an exemplary manner. The way they have dealt with the request to take part in this study and have engaged themselves in the interviews most certainly points to interesting aspects and features of the Danish world of foundations.

In the following part of the report the interviews<sup>19</sup> and other written material like annual reports have been scrutinised and interpreted according to the specific issues of interest in this study. Resemblances and differences have been stressed, but at the same time careful attention has been paid to the fact that each of the involved foundations should stand out in its own right.

In order to make the text easier to follow “the eight foundations involved in the interviews” will most of the time quite simply be referred to as “the foundations”.

## A sense of identity, purpose and autonomy

All eight foundations are keen to be seen as “highly individual” organisations. Individual in the sense that they strongly feel special, and that they feel a strong obligation to continue the will of their own founders as expressed in the statutes. “We are not like the others” or “We are on our own” “We have a very specific purpose” “We are outstanding” are typical expressions in the interviews.

In this way the foundations often see themselves as “lonely planets” following their own stars.

*“We are different from other Danish foundations – more European may be. We often act on our own initiatives and we have a quite narrow focus-area. Although, that does not always make you very “popular”. (Egmont interview).*

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<sup>19</sup> The interview data come from eight one-hour interviews with chairmen of the boards and executive directors of the foundations. The data used has been read by the interviewees and relevant corrections and comments has been incorporated in the text. There has, however, been no interference with the way the data has been used or interpreted. The author thanks the foundations for interviews gladly given and for the interest shown towards the project.

*“We are not like many other foundations, because we have special political signals – as a matter of fact the name itself (Plum) signals what we stand for. We have a broad objective – peace, ecology and human rights – but we see ourselves as controversial and we are strongly obliged to the founder, Lise Munk Plum, to continue her wishes. Although, now only three of the board members personally picked out by her are left, and we begin to interpret the will more freely.” (Plum interview).*

*“The statutes show us the way, and give us a kind of security that we use the assets in precisely the “right spirit” – this is why we are not like others”. (KUF interview).*

The Carlsberg Foundation has another way of framing it:

*“The foundations in Denmark are of cause subject to laws and regulations of the Ministry of Justice. And we do see ourselves as part of the foundations that support research – even if we are all very different from each other. But first and foremost we are subject to our statutes as they were drawn up by our founder, the old brewer Jacobsen as a cornerstone for the activities of this foundation. (Carlsberg interview).*

The foundations clearly see themselves as part of “civil society”, but not all have a clear idea of how to understand this concept. It could be worded as a part of a democratic society which can be influenced, and where the will and benignity of the individual citizens (in this case the founder of the foundation) can have a voice. An exception perhaps is Realdania. Being a very young foundation with roots in the market this foundation still sees the investment part of its work as “market” whereas the foundation part is seen as civil society.

On the other hand the foundations do *not* see themselves as belonging to the “voluntary sector”. They do not have a self-understanding as being voluntary organisations even though they “technically” – according to international definitions – belong in this category.

*“The foundations do not see themselves as part of the voluntary sector. We do not have a “natural” liaison or collaboration. I personally think this is because many voluntary organisations in Denmark receive very large grants from the public sector.” (Egmont interview).*

Accordingly, the foundations do not in any way see themselves as a part of the state or public sector. They are orientated towards society as a whole more than towards other foundations, corporations, or voluntary organisations. An example is the Health Foundation that does not feel itself a part of the “Health Services” nor in any *special* way



obliged toward the many patient-organisations in this field. Neither do the foundations feel a special obligation towards the state. “We certainly are not part of the state” is an often-heard expression.

*“In a way we are very “self-contained”. We choose freely how we want to use our assets. If politicians find this or that project worthy of support, we do not “automatically” support it. Absolutely not. We make our own choices all the way”. (A.P. Møller interview).*

*“As a matter of fact it is the state that makes the most use of our donations – the vast majority of grants go to universities and to people employed in other state institutions.” (Carlsberg interview).*

However – at the same time the relationship with the state is at the same time self-evident and an object of some worry.

*“We absolutely are **a private entity** – not a part of the state or of any special sector or field. Often we discuss this by saying that we do not automatically want to fill out “holes” dug by the state ... if the cuts in the public sector economy seems go a bit too far we do not want to be seen as someone just stepping in – we do not want to become hostages in a political play.” (Velux interview).*

Also, the foundations find it difficult to see themselves as a specific “sector” or having a common identity.

*“In principle I do not see foundations as belonging to a special “sector” or an entity in society.” (KUF interview).*

In spite of these individualistic approaches the foundations actually view their role in society in a quite similar way. This means that they feel that foundations play a distinctive role in Danish society.

*“May be “distinctive role” is too large a word – but yes, I feel we are an important player”. (Egmont interview).*

*“Some decades ago The Carlsberg Foundation more or less was the only foundation to support research. But even if this is not the case any more we still mean a lot. And we never make compromises as to the quality of the research. We stress research as a strong and elitist force in society. This is why we play a central role in the development of science and culture in Denmark.” (Carlsberg interview).*

One of the reasons for this is that the foundations feel free to do what they think is important. The Carlsberg Foundation put up a strong support of basic research in all kinds of academic research “from the toughest natural sciences to soft humanities”. Other foundations have a much more narrow purpose. But this attitude of “fighting a cause” often means to tread new and different paths, to be far-sighted and provident, to think in alternative ways of doing things. But most of all it means to dare taking risks that would not be possible in the public sector. Also, the foundations often want to be seen as pioneers within their own objective. They focus on special areas of interest in order to bring out their message more clearly. This also allows them to be able to make a real difference by concentrating their efforts and donations on single issues for a period of time. In that way they also feel they can generate more money from other sources.

*“We have carried out demonstration-projects – we have made calls for new ideas – we want to promote creativity and to support new knowledge. We have set up a research centre for town development.” (Realdania interview).*

*“We have a certain focus for a period of time, and then we do a lot to bring attention to this special problem. Right now the issue is sexual abuse; we have set up seminars, research groups and tried to co-ordinate initiatives in the whole country, which is not easy because everybody wants to set up their own project.” (Health interview).*

*“We are extremely careful to be as strategic in regard to our focus area as possible. We want to make sure that our money come to good use and make a difference. This is the reason that we insist on evaluating our projects.” (Egmont interview).*

Another way to bring focus to a special issue – and to the mission of the foundation – is to present honorary awards, special prizes and scholarships. The Health Foundation has a yearly research award for spectacular research done in its field of interest. The Villum Kann Rasmussen (Velux) Foundation has an honorary award to people who have made a special impact, for example on improving the understanding of the value and significance of daylight or a similar impact regarding industrial building components. The Plum Foundation gave a special prize to a Jewish journalist for her articles from the West Bank. The Tuborg Foundation has an annual prize on business economy.

A second reason that the foundations feel they play an important role in this country is that their monetary contribution actually does make a difference. First of all, some of the foundations certainly do have large assets and make a considerable economic contribution. Also the donations might generate other funds and start a “snowball-effect”. But according to the interviewees it is not always the size of the grant that is important. The Velux Foundation which mostly gives out considerably large grants (the average is app.

DKK 2 million) also in its purpose has an obligation to “the activities of the older generation”. The board has decided to give grants to fulfil “dream-projects” – this means that each year about 150 smaller grants (the average being about DKK 20.000) are given to projects initiated by elderly people/pensioners. And in this case “small money makes a lot of difference”. Other examples of this can be found in The Tuborg Foundation and Carlsberg Mindelegat, which both give out smaller grants to implement “good ideas and dreams”.

In spite of the feeling of the foundations that they play an important role in society, they are not so sure that the knowledge the public has of foundations is adequate. And even if the names of the foundations in some cases are well-known the information people have about them is often limited.

*“Even if we are described as “famous” I am not so sure that this is true. Probably not many are aware how complicated The Carlsberg Foundation is set up, and how many aspects we cover. It is of course the responsibility of the Foundation to give out more information about our purpose and intentions” (Carlsberg interview).*

Also, the public might attach more importance to the societal role of the foundations than they actually “deserve”, because the way the donations are given is sometimes seen as controversial.

*“I think, perhaps, that we often play a greater role in some peoples mind than we actually play in reality. Often we are attributed more importance than we have. The amounts we donate on a yearly basis are large – several hundred millions – but if you see them in relation to the GNP it is rather moderate amounts!” (A.P.Møller interview).*

A third reason for agreeing to a significant role comes forth in that the foundations stress how they in their everyday work engage in co-operation with other partners: the public sector or/and other foundations. They generate networks and work hard to implement their ideas together with different partners. This does not in their view contradict their ascertainment of autonomy, independence and individuality.

An exception to this attitude is found in the A.P.Møller Foundation and the Carlsberg Foundation. They do not often co-finance projects together with other foundations and they want to put their own stamp on the projects they are involved in.

*“We do not as a rule work with other partners. Often we go in and pay for the whole project – or we leave it altogether. However, in some cases when we give part of the money needed, we leave it to the applicants to find additional support for their project. But there are examples of projects which*

*we have initiated together with other foundations – The Velux Foundations for example.” (A.P. Møller interview).*

*“You could call this attitude a kind of territorial integrity – I think that is very common. But we do, in certain areas, co-finance projects with different Ministeries.” (Carlsberg interview).*

To sum up:

- ▶ The foundations seem to have a “lonely-planet” identity – each one strongly stressing that they are “not like any of the others”.
- ▶ Hence it follows that the foundations do not seem to have developed a “common foundation identity”. Neither do they seem to want such an identity.
- ▶ On the other hand, the foundations all define themselves as being part of civil society by being autonomous entities that express and carries out the will of individuals – in this case the founder.
- ▶ So far a conclusion could be that foundations – in spite of their individualistic approaches – have a similar self-understanding which gives them more in common than they usually are prepared to admit. This self-understanding includes the following elements: to be self-contained, to have autonomy/freedom, to express certain values and causes, and – not the least – to make an important contribution to society.

In order to further investigate differences and similarities in the ways the foundations perceive themselves and see their relationship to society and to other foundations, in the following the empirical data are analysed in the light of the following roles: *Complementarity, Redistribution, Innovation, Social and policy change, Preservation and Pluralism.*

### **The “Complementarity”-role**

This role is certainly not the most favoured role. But, at the same time it is a role foundations often have to live with in a welfare state context. They often find it difficult to draw a sharp borderline between the responsibilities of the public sector and of the “foundation sector” because circumstances differ with new political agendas.

“What would the state finance had other economic conditions prevailed, or if we lived under other political circumstances?” This is probably a question, which constantly will be the subject of debate. And it is the kind of discussion foundations need to have in order to make a continuously updated appraisal of their standing. And surely the role of complementarity was not unfamiliar to foundations set up in the late 1800s. In a letter to the Science Academy Brewer Jacobsen wrote in 1878:

*“... Since an institute of this kind, intended for special studies, cannot thrive unless it is supported by that spirit, and irradiated by that light, which issue*

*from the sciences as a whole; and since this light has been a source of happiness and contentment to me, it is of vital concern to me, as a part repayment of my debt, that I should also make a contribution to the advancement of the sciences in general; especially in those respects where it appears to me that the State has not hitherto provided, and will hardly in the future be able to spare the necessary means.*" (Cited from Pedersen 1956).

All foundations interviewed for this report disagreed strongly with a role that merely supplements public activities by meeting unmet needs. But when asked, how the role of the foundations differ from the role of the state, and how the relationship to the state should be constructed, the disagreement comes out more in light and shade.

On the one hand the foundations do from time to time agree to negotiate how projects can be co-financed in order to get them started. On the other hand they want to make sure that so called "crooked" projects can be carried through.

*"... In that way – by setting conditions – we create a dialogue with the public sector. But we also want to be free to support the more maladjusted and "crooked" projects, that will never fit into the support of the public sector. And we want to be able to prioritise issues that we find crucial."* (Helse interview).

*We want to be a provocation to the public sector – we do not want to be seen as politically correct. That is why we support projects, which – as we see it – have a lot of potential for alternative development.* (Plum-interview).

The foundations seem to be very much aware of their role in this respect. They do not want to be substituting the state – but they acknowledge that in practice they cannot always avoid the role of complementarity even if this clashes with the identity of self-containment and autonomy.

This sometimes means to bargain for the best possible solutions in a time of economic cutbacks and to guarantee some of the money on the condition that the state or local authorities pay the rest. These kinds of "bargains" can be done in many ways. Some negotiate with the public authorities, others are more discrete.

*We do not normally go into such bargains. But sometimes an application needs more support than we are prepared to give. If we then give half of the amount asked for, we tell the applicants to find the rest somewhere else – to look for other foundations or to ask the local authorities maybe. This often has "inspired" the authorities to offer further support, because they do not want the applicants to lose all the good money from us. But we never put this as a condition for a donation.* (A.P. Møller Interview).

Still, the director of the A.P.Møller Foundation noted that some projects taken on by the Foundation – for example the establishment of a Naval Museum – would be considered by many as a proper task for the state. But the project only gained impetus when the foundation became involved. Sometimes the Foundation has felt that it is carrying out the duties of the state without receiving any particular “thanks for the effort” (Kryger 1988).

Some foundations strongly express their concern when it comes to the policy of the government regarding social services and culture. On the other hand they do not see their role as being political in the way that they should go into political discussions or priorities. Neither do they want to be cited in support of a certain party policy. But they feel an obligation to create a basis for a solid debate and to generate new knowledge in their own focus areas in order to further developments in society. However, often they feel that the knowledge they produce is not taken seriously.

*“The government has put a stop to many things. We are very much aware not to go in and fill the gaps caused by government cuts. We do not want that – and we do not see this as a politically convenient thing to do. But sometimes we have given a donation for a project, which for economical reasons has been turned down by the local authorities, because we felt it was important as a model for further developments. We want to pass on such experiences for the common good”. (Realdania interview).*

*“It is extremely depressing to watch how little room for creativity is left in the public sector. It is worse than ever before. There is no breathing space and everybody is pressed. When we “pass on” a well-documented project the local authorities might take to the idea and copy it. But often the copy is a discount model – our expertise and competence on the matter is not taken seriously. The result is that the authorities practically start from scratch in spite of our knowledge.” (Egmont interview).*

On the other hand, in some interviews it was put forward that there is no need to feel this pressure from the state, because the foundations have the freedom to do as they please. Naturally, politicians will always try to press foundations to contribute as much as possible. And even if some people on the boards might worry, it should not be seen as a threat but as a challenge.

*“If foundations feel that politicians attempt to press for funding, I feel it is only fair enough. But foundations must act accordingly and protect their interests and profile their own ideas. It certainly is the responsibility of the foundations to defend their own values. In our case we must with all means*

*defend basic research – it takes far too long time to rebuild a fond of knowledge, if it has been neglected”. (Carlsberg interview).*

### **The redistributive role**

This role can be described as one where foundations are ensuring that wealth and resources are passed from higher to lower income groups. Largely this role is not considered to be relevant to Danish foundations. Yet, they are well aware that the whole form of the foundation as such often is meant to benefit “those in need” because they include charitable purposes. But this role seems to have less importance in a Welfare State, which traditionally has worked to guarantee the absence of poverty. And the foundations do not see it as their role to further redistribution on a societal basis, although they do want to point to groups of people that need support and focus on issues that need attention.

*“There is no need for a collective social effort. In principle the law rules out a need for support from the foundations – at least when it comes to social services.” (KUF interview).*

One of the largest foundations in Denmark, The Carlsberg Foundation was actually never intended to contribute to redistribution in a direct way, but rather to operate to the benefit of science and art in the areas where the state never contributes – as well as to “the honour of Denmark”. And when the brewer donated money to charity, he made sure that his contribution was anonymous to the recipients.

Later, in 1902 the son of Jacobsen, Carl Jacobsen, and his wife Ottilia, set up the New Carlsberg Foundation as a part of the Carlsberg Foundation. The aim of this foundation was to support art by promoting the study of art and to maintain and run the art museum the Carlsberg Glyptotek in order *“to develop and satisfy the feeling and desire for art in our country.”* In other words the assets are put to use to heighten knowledge and culture in general not to support individuals in need.

The Charitable Association of Copenhagen – one of the smaller foundations in this study – was however founded with the purpose to *“help the needy and deserving poor – especially those who have no other way of getting the needed support”*. This might be understood as redistribution or even as complementarity – but as the assets of the foundation are – and always have been – rather limited, it is doubtful whether this could in fact be called redistribution. Rather it must be seen as poor-relief in the best sense of the word. In the 1870s when this foundation was set up as an association, the public poor relief was regarded as degrading and insufficient, and attempts were made to establish a so called “Free Poor Relief” which recreated a possibility for the church and the bourgeoisie to enter the field of helping the poor. This also created a distinction between the deserving and the undeserving poor – the former being the sick, the old or the unlucky but hard working who needed a helping hand. A feeling of humanity seemed to

penetrate society at that time and at the same time public money for poor relief was seen as “masked socialism”. Charity building on the philanthropic base of human love and dignity was seen as the best way to help; but also different insurance schemes were thought of. The Charitable Association of Copenhagen was founded and supported financially by prominent citizens (among others Brewer Jacobsen) whose contributions were considerable. However, in the long run it was been difficult to raise enough funds and gradually the social security schemes went public. Today the yearly grants of the association are app. DKK 1 million – merely a drop in the ocean. But for the individual person who receives the donation, it is perceived as a kind gesture.

This kind of help is typically targeted at individuals – not groups of people – and it is “relief” in the sense that it helps in limited situations. It is not a redistribution of societal wealth and it was never meant to be. Even nowadays the board agrees to this role.

*We are aware that we do not want to change things too much – and we want to do our work as usual. This is what is expected according to the statutes.”*

*“Many of our applicants are children and grandchildren of people who asked for help generations ago. It has become a kind of tradition in some families to send an application to us and not to ask social services for help. Then often we give half if the authorities agree to give the rest.” (KUF-interview).*

However, during the years the board of the Charitable Association often regretted not to be able to help in a way they thought was the best, namely to be giving a more preventive support like “helping people to help themselves” (Mogensen 1924). This is still the attitude. Support – even small amounts – given at the right time is meant to give the receiver a push in the right direction. In order to do this in the best way possible the association have 28 volunteers – the so called “frivillige undersøgere” (voluntary investigators). Their task is to check on the applicants and their needs. As the director expressed – the Association certainly is eager to help, but does not want to be cheated on. These volunteers are often local ministers or schoolteachers and even public servants. This is a deliberate policy on part of the Association, because such professionals are supposed to know about local needs, and to have their finger on the local pulse.

The Egmont Foundation also has a tradition of donations for “individuals of poor social standing” in a general assistance scheme. The total support in this scheme was in 2001 DKK 1.176 million and in 2002 DKK 1.162 million. The Foundation yearly receives 5-600 written requests for this kind of grants and a little more than half of these applications have been complied with. The aim of these donations is to improve conditions for children living under socially and economically unfavourable circumstances that limit their everyday opportunities for self-realisation. Christmas and holiday support is prioritised on the grounds that it is important to give children and young people positive



experiences to build their lives on. Single parents with a poor economy often head the families receiving donations. Often applicants ask for supplements to the ordinary student aid. However, the existing opportunities for this type of assistance are so numerous that the Foundation does not consider a genuine need for such donations. In order to distribute help in the best possible way to the most needy target groups the Foundation continuously maintains a dialogue with certain local authorities, institutions and counselling centres. Semi-annual meetings are held with these bodies in order to update and adapt the Egmont scheme. All applications must be written by local case-workers, – not by the individual applicants themselves.

The director regards this “poor-relief” as a kind of tinkering, which does not fit into the more pro-active and preventive visions of the Foundation. However, these donations are part of the statutes and cannot be excluded. And as the cuts in the public social assistance become more and more predominant the private helping schemes, which a decade ago seemed outmoded now become more and more necessary.

Hundreds of small foundations have redistributive purposes in their statutes, and they give out small donations to special groups of “deserving poor”. On a large scale, however, the redistribution of wealth through foundations in the Welfare State of Denmark can only be considered as a drop in the ocean – after all foundations do not have enough resources to fill out this role even if they wished to. Redistribution in Denmark is financed by taxes not by private funds.

## **Innovation**

This role is one with which the foundations feel much more at home. As cited above the role as a “provocateur”, as a supporter of risky, “crooked projects” and a promoter of “new ways of thinking” is largely in agreement with the attitudes of the interviewees. They all agreed that foundations should provide alternatives to the mainstream and promote innovation that neither government nor markets are able to provide. This attitude is clearly expressed in the interviews. Although some do have more careful wordings than others. And some want to be more openly controversial than others are.

*“Even if we only can give out smaller grants, we want to do it in a way that provokes people to think differently – we want to be a kind of”counter-voltage”.*

*Sadly enough – I do not believe that we are known by many in the public – it is not an easy task to be a provocateur!” (Plum interview).*

*“We want to support the unusual and “crooked” – the projects that fall through other standards. But we do not run a risk to be too unconventional – we do our preparatory work very conscientiously, and we want to be sure to know what we go into and might expect.” (Velux interview).*

*“We want to be the foundation of the built environment in Denmark – in ten years time we want people to say that Denmark would not have looked this way if it had not been for us. (Realdania interview).*

The Egmont Foundation is especially outspoken on this matter. The projects vary enormously – but that they should share – as stated in the 2001 Egmont Annual Report – is “vision, dynamism, and innovation”. The Egmont Foundation expresses visions of promoting creativity and inventiveness, and also stresses that these words have little meaning without the skills and abilities to bring them to life. To this end the Foundation has seen documentation as an integral part of many of the projects. And although the Foundation for many years has been prioritising “projects with a practical purpose”, recently more interest has been concentrated on projects with a research focus. This is based on the view that it is important to generate more basic knowledge in order to develop new effective models and methods.

This is an attitude which certainly also imbues the activities of the Carlsberg Foundation – the board is convinced that development will never happen without the evolution of basic research.

*“I am convinced that researchers working with basic research without a conception of a specific solution beforehand are the ones that start new thinking – if they are creative, that is! By supporting them we will do innovation a great favour. It is important not to transform research to pure “utilization-thinking”. (Carlsberg interview).*

The innovator role, however, cannot be found directly in the written statutes of the foundations. The way purposes are formulated is much more specific: to promote art, to support science, to give out annual awards, to help the needy, to encourage democratic involvement. Therefore this role must be seen as a way the board of directors interpret the will of the founder. And furthermore “innovation” is a traditional way of role-perception in the Danish volunteer sector. It, so to speak, belongs to the narrative of voluntary organisations during the 1900s and can be seen as a part of the autonomy debate.

### **Social and Policy Changes**

The role of promoting social and political changes is in many ways related to the innovation-role. Although the idea is indeed supported in the interviews – only one foundation has a written formulation about the idea of social change and how to go about this. In the clause 4 of the statutes of The Plum Foundation it is mentioned how to promote the resolution of conflicts. The wording goes as follows:

*“Conflict resolution by non-violent means. In this context the term conflict means conflicts of a social, ethnic or similar nature between individuals. The Foundation’s*

*charitable purpose implies the provision of support that will lead to rapid resolutions of such conflicts. If the UN recommends a preferred form of settlement, support shall be provided to achieve rapid resolution as far as possible in accordance with such recommendation. The involvement of internationally recognised organisations already operating in the area will be preferred.”*

Realdania seeks to make changes in the built environment. There is a strong wish to make sure that the quality and standard of the projects will be of use for as many people as possible and make a difference to architecture and the building sector. The idea is explained in the following policy statements (Annual Report 2002) :

1. we want to bring about change and development
2. we want to support the creation and promotion of new knowledge

The Egmont Foundation sees the current situation for many children and young people to be critical. There are many problems to be solved and changes are needed.

And the Health Foundation also is very outspoken about helping minority groups and socially excluded people.

An illustration of the activities of the Health Foundation can be taken from the annual yearbook in 2001. Here it is explained that one focus of the foundation has always been physical exercise, which is seen as a method of achieving better health and higher quality of life. Physical exercise should be a part of the daily life of everyone. However, the projects supported by the foundation in this field are mostly focused on groups of people who lack the ability to join regular sport club activities. Often only the strong groups in the population take part in sport activities – the elderly, the disabled and other minority groups are not included. The Foundation wants to give such groups the possibility to experience the fellowship and the strong incentives of sport. In the Jubilee Publication (1998) the chairman writes:

*“..Our policy of support must gain the broad population also through supporting small client- and patientgroups. We are willing to venture into unknown territory and take risks, but we also try to find economical co-operators in other foundations or in public authorities in order to anchor new reclamations.” (p. 35).*

Still, some doubts are being expressed as to what exactly is meant by the normative expression “A more just society” and in what context it should be seen.

*“Yes, we want to spot and focus on new social problems. But what is a just society – it is certainly a very political thing! The members on our board would not agree on this, I suspect. The Social democrats would join in and say yes, we want more justice and equity. The Liberals would say that society has enough justice. But – of course we want to be a part of changing things for the better...” (Health interview).*

### **Preservation of traditions and culture**

This role means that foundations contribute to the stability of society and provide the breathing space needed to preserve past lessons and achievements.

Some foundations are more or less founded with this purpose like a part of The Carlsberg Foundation where the support of the National Historical Museum at Frederiksborg Castle is the main purpose. After a fire in 1877 Jacobsen had contributed generously to the rebuilding of the Frederiksborg Castle (built in the beginning of 1600s), and he now suggested that a National Museum of History be set up in the premises of the castle. Jacobsen's objective was partly to restore the nation's moral courage after the paralysing war with Prussia in 1864 and to fortify the self-esteem and moral power of the people through the knowledge of history and inheritance from the ancestors. Likewise the New Carlsberg Foundation aims to preserve art.

One of the focus areas of Foundation Realdania is to secure historical (national) heritage. In 2002 the foundation donated in total Dkk 318 million, of these 55 million or almost 20% went to securing and restoring historical heritage. Realdania in fact compares itself with foundations like the National Trust in England when it comes to cultural heritage.

The A.P. Møller Foundation has a liking and a partiality for monument building. The Foundation wants to work with a very long-range perspective. And this combined with liberal, national values results in a preference for renovation, preservation and if necessary new building projects in order to save or promote national culture and heritage. Numerous donations have been given to museums, archaeological digs and the building of schools and churches. The Foundation occasionally takes up major projects, which other foundations cannot handle because they either lack the means or have different objectives.

*"When we build an Opera House, we build for generations to come."*  
(A.P.Møller interview).

Other foundations – although the purpose of the statutes does not mention this role – sympathise and interpret their statutes to support projects like the renovation of historic buildings, the maintenance and extension of museums etc.

The Velux Foundation is a good example of this. During the years all present and former board members and an extensive range of advisors have meticulously and conscientiously worked to ensure that the grants will further scientific, artistic, cultural and social purposes, mainly to the benefit of Denmark and the Danish people. This means that smaller grants for cultural purposes are seldom given, because the Foundation wants to "make a substantial difference". The board is to find "objective" advisors when these larger donations are decided upon; – but finds this difficult because the art world is so small. One of the large donations during recent years has been 43 million DKK for a museum and research centre connected to the Jelling Stones (the runic stones telling the

earliest history of the kingdom of Denmark). Often grants are given for restoration of historic buildings.

The Egmont Foundation often supports projects preserving traditions and culture because of a conviction that the young generations need a cultural heritage. In a newspaper interview the director of the Foundation explains that “One of the aims of the Foundation is to make sure that the next generation is “equipped” with the historical and cultural luggage, which my generation took for granted...” (Krogh Andersen 2002). This is why the Foundation supports several projects in museums and other cultural events like the project “Film-X” – a media and experience workshop for children and youth at the Danish Film Institute.

One very important project, for which The Egmont Foundation has become well known, was the donation for the renovation and rebuilding of the National Museum in the 1990s. Egmont donated DKK 142 million, which at the time was the largest sum donated by any Danish foundation for a project in Denmark. Furthermore this donation was given in a “joint venture”: the state paid two thirds and the Egmont Foundation one third of the sum needed for the project.

### **Promotion of pluralism**

Here promoting experimentation and diversity as a necessity in a democratic society is a role, which can be seen as a consequence of foundations wanting to be an alternative to the state. Perhaps they want to provide something extra, but also to ensure different opinions and political views to be expressed. This can be seen in the interviews by the way that the relationships to other voluntary organisations are explained.

On the one hand, one and all of the eight foundations in question see themselves as outstanding – “there is no one like us”. They act autonomously; they decide their own objectives and express their own views. On the other hand foundations as such are seen to play a part in contributing to the plurality of society. They see themselves as working differently, faster and more flexibly than the authorities and most of them have the funds to pursue their case. This gives opportunity for diversity.

*Probably we have a significant role because we freely choose what we want to support. We have as such no rules and no regulations apart from our statutes. And we can intervene in a quick and efficient way when it is needed, and in areas where the state cannot support. This is why our role might seem more important than our contributions in numbers actually justify.” (A.P.Møller interview).*

### *A summary on foundation-roles*

The foundations are very much aware of these different roles and which they prefer. But they are not always in agreement about which roles are more important.

*Complementarity and Redistribution* are the roles towards which the foundations are most reprehensive. Even though many founders originally had the intension to cover grounds where the state had failed to or did not want to take responsibility, this gap-filling-role does not correspond well with the self-image of modern foundations. And it certainly does not fit into the board's concerned understanding of a "proper" Nordic Welfare State. In spite of this the interviews revealed a necessary inclination to negotiate donations with the authorities. But also to defend so-called "crooked" projects and to promote their own values. The foundations stress that they have the freedom to act as they please, but at the same time they are deeply concerned with present developments in society, which seems to press foundations more than before. Furthermore, even if many foundations have an aim of "charity", this could hardly be seen as actual redistribution of wealth. The sums the foundations give to individuals in need are economically seen merely a drop in the ocean. However the donations are often appreciated as a human, helping hand and an encouragement – and this function should not be underestimated.

*Innovation and Promotion of social and political Change* are the roles most favoured by the foundations. Innovation clearly has a positive connotation and also permits the board to interpret the will of the founder and to implement its own values and visions. And this is the case although none of the eight foundations here interviewed has an actual formulated "innovation-strategy" in their statutes. Promotion of changes in society (developing a better/more just society) being such a broad issue has to be pinned down to what is actually meant by wanting to support "change and development". The foundations are very outspoken about this. However it must be remembered that they each have their own aims and special causes to defend. And furthermore foundations generally do not want to be involved in (party) politics. For this reason it is difficult to perceive foundations as a "sector" or as a common political force in society- even though foundations clearly want to see themselves as innovators and promoters of change.

In spite of this – all eight foundations seem to be quite pleased with their own work and how they fill out their performance. Phrases such as "I think we are doing a good job" and "We are very careful and diligent in our work" are common. This is often linked with the way the statutes are being fulfilled, and this of course means being faithful to the founders will.

*I think we are doing a really good job – and we are a good support for many people. In fact, we are rather generous, I think.* (KUF interview).

*"Everything goes fine! We see these first years as an experiment. We try out different ways of working and we dare to stake on daring projects."* (Plum interview).

*“The way we implement activities is to set a good example – and I am very optimistic that we to live up to a high standard of quality and responsibility to society.” (Carlsberg interview).*

### *Promotion of pluralism*

The foundations clearly have no intention of acting like a “sector”. They each contribute according to their own statutes – to the diversity and pluralism in society.

And when the foundations were asked about how they see the work of *other* foundations, no one wanted to express ideas about this. There seems to be a mutual respect and a tacit agreement not to speak on behalf of foundations other than ones own. Whether this is caused by of lack of knowledge or by a sense of tact is not always clear. But the fact is that the knowledge of what other foundations do is limited.

### *Preservation of traditions and culture*

This seems to be a “classic” role for foundations – and certainly for foundations with large enough assets to make a difference in this field. The six large foundations in this study were deeply involved in preserving history and culture for the sake of generations to come.

Often the foundations want contributions “*to be important rather than spectacular*”, as stated by the chairperson in the Velux Foundation in a recent newspaper interview (Krogh Andersen 2002), these kind of projects are often very grand and visible to the public. This means that they at the same time gives the foundations a “name and a face” in the public. And at the same time exhibits the foundations to critic of the way the projects are carried out and to mistrust as to what intensions the foundations might have. This mistrust may be annoying to the foundations, but they are not overwhelmed by it, because they feel secure and sure that they live up to the will of their founders. And they have strong values ranging from strong nationalism to love of art and concern for traditional handicraft to guide them.

# Foundation Visions

One way of evaluating roles is to go a bit deeper and look at visions. How do the two correspond? Are there any differences in the actual roles and the visions of the foundations?

A very short answer to this is NO – the foundations do not feel any discrepancies in how roles and visions relate to each other. In other words, visions do not seem to differ from the actual roles. As already mentioned, the foundations seem to be confident that what they actually do correspond not only to the plight of the statutes but also to the visions they have for their present work. And the discussions on the boards on future challenges do not alter this picture.

The following two vision-statements were supported by most of the interviewees and they correspond perfectly with the self-image of the foundations in relationship to their roles. In this context the foundations also show strong values about their activities. The visions were formulated as follows

- ▶ foundations should be a visible force independent from both government and market
- ▶ foundations should provide alternatives to the mainstream and safeguard minorities

*“We want a new development – and “the social” – the respect for the individual and keeping the target group in eye – must imbue all our efforts”.* (Helse interview).

*“Our vision is to give children and youth better conditions in childhood and adolescence. This is what we strive for, and we attempt to do this in a still better way”.* (Egmont interview).

*“We do not have a world view – but we do have very strong values. The founder’s childhood in a vicarage in the poorest part of the country has had a strong influence on our work. And the strong will of the founder – pursued further by his children – is that the foundation and the business must be kept separate – even physically by keeping up different addresses. This is may be more obvious than in other foundations.* (Velux interview).

*“Our values are liberal and national. We are so to speak supporting the virtues that follow such values. And we want to be very practical and down to earth, we want to go for projects that will benefit large parts of the population – not only the “Feinschmeckers”. And lastly we have a principle that the applicants themselves should preferably put something into the project – we want to support Help-to-self-help”.* (A.P.Møller interview).



The tentative and somewhat ambivalent attitudes toward the “complementarity role” become clearer when visions are discussed. The foundations are very careful not to let public cuts rule their own policies. They certainly do not want to be seen as useful, wide-eyed innocents just filling out the gaps and rescuing politicians, who are too eager to cut down expenses. But at the same time to comply with this difficulty the search for partnerships seems to be a solution.

*“... But the minister of Culture, to take an example, cannot expect us to cover the cuts he made at the National Museum. Political decisions should be open to the public and be discussed in the press – we do not want to cover up. **If** we go in – and the balance **is** difficult – to save national treasures, we want the public to know where the money comes from.”* (Velux interview).

*“We see partnerships of many kinds as very important. We want to work with small companies as well as with the authorities and with universities. We want our partners to feel that our common efforts have been important and responsible in every way, that the process has been worth while and that different interests have been respected.”* (Realdania interview).

A vision-statement that certainly did **not** penetrate the interviews was:

- to see the foundations in Denmark as having a “common identity”

Even if the foundations see themselves as being distinct from other voluntary organisations, they do not feel part of a “foundation field” or of a “common identity”. The foundations in Denmark are not ready for an umbrella organisation – and no one wants extra bureaucracy. If they need to contact each other or if they sometimes engage in joint ventures, they communicate via personal relations and in “a very Danish informal way”. However, an informal network of larger foundations meets once or twice a year to discuss issues of common interest.

*“We have no dreams of this – there are no actual plans – and we do not want to push the development in that direction.”* (Velux-Interview).

*“The foundations of course have a responsibility to society to be open, to create debate, and to ensure the public that the money invested goes back to society. The statutes help us to do this, but naturally we want to cooperate with other foundations or organisations when relevant.”* (Plum-interview).

*“We never thought of meeting with other foundations as such – but we want to create networks with other bodies working in the same field as we do. That could just as well be private companies, local authorities or ministries”.* (Realdania interview).

*“Actually in Denmark an informal network consisting of 25-30 foundations exists. But it is run on a very “low flame”. We should work more together and try out new ways of co-operating, because in a European context we are too small. But some probably would feel threatened just from hearing about it”. (Egmont interview).*

However, it is stressed again and again that the foundations have a wide collaboration when it comes to practical arrangements and concrete projects. Also, informal agreements have been made when it comes to support projects, which – as understood by the foundations – ought to be a public responsibility and not the concern of the foundations.

One reason for choosing this life in “splendid isolation” (and the feeling that no *formal* co-operation is needed) probably is that the legal regulation for the non-profit humanitarian foundations in Denmark according to the foundations themselves is relatively loose and easy to live with. The tradition for foundations – or the culture of foundations – in Denmark clearly is mirrored in the easygoing legislation. And public debate is very rare – almost awesome. At times a debate in the press brings up the issue of possible tax –evasions, but this is without any perseverance.

*“The foundations live a peaceful life in Denmark – we have very few problems in relation to the legislation, and there is no reason to meddle with that.” (Velux-interview).*

*“In other countries rules may be stricter and sometimes you find that foundations are set up for a limited period of 99 years. But in Denmark foundations are for ever and we have peace and no danger.” (KUF interview).*

However – in the event that this peaceful relationship should be altered, some foundations are not unsympathetic toward the idea of joining in a “common front” or in some kind of coalition. Others are more apprehensive about this.

*“No, I don’t think we would try to influence the law making – even if we certainly are very observant about what is happening here”. (Realdania interview).*

*“It is a hypothetical situation that the legislation would be altered. It all depends on how such a bill would influence our work. I would not altogether dismiss a kind of co-operation – but it all depends...” (Velux-interview).*

In the Carlsberg interview an example of cooperation between 5-6 large foundations is mentioned. This happened when the state made a regulation to formalise the education

of PhDs. The foundations then agreed that they no longer wanted to give grants for PhD studies (although exemptions can be found). In that way they refrained from the role of complementarity in this particular educational area.

*A summary on foundation-visions*

As already stated several times the foundations largely feel confident that they are doing a good job, and there are no stated discrepancies between roles and visions.

However, it should be noted that the vision of being “a visible force” in society somehow collides with the wish to live a quiet, peaceful life and not to meddle with any of the favourable legal regulations.

## Foundations in a European context

The question of whether the foundations see themselves as local, regional, national, European or International actors raised almost as many answers as the number of foundations in the survey. Also the combination of these categories gave numerous variations.

Clearly the statutes of the foundations often stress the importance of supporting and promoting Denmark, the Danish people, Danish culture and heritage. Often no opportunity is left to give donations outside Denmark. This is the case in The Health foundation, and The Charitable Association of Copenhagen is even more local limiting itself to operate in relation to people living in Copenhagen and Frederiksberg.

In the case of The Carlsberg Foundation the public regards it as the epitome of a “national foundation”; – and this is true to the extent that even the latest edition of the Danish-English dictionary brings a translation of its name. (Vinterberg&Bodelsen, 1996, p.795). Following the will of the founder, who was deeply influenced by the re-establishment of the national pride in the late 1800s, the foundation normally never would give donations outside Denmark or to non-Danish research.

*“We are clearly very national and we have to stick to the wording of the statutes. Even though I am not certain that the brewer would have set up the same statutes if he had lived to-day. In the board of directors all belong to different European and international networks – and we do stress the importance of the applicants having international experiences. This is our somewhat indirect way of being attentive to international aspects”. (Carlsberg interview).*

Foundation Realdania regards itself as a Danish foundation and does not make donations outside Denmark. Even Greenland and the Faeroe Islands are not included and the reason given is that the capital has been generated in Denmark and must remain here. The only exceptions Realdania makes are publications or film-documentaries in foreign languages promoting Danish architecture and design.

In the case of Velux it is evident that the focus of The Velux Foundation is national, whereas TheVillum Kann Rasmussen (VKR) Foundation tends to become more and more European-looking in accordance with the development in the EU.

*“Even if the statutes state that the money should benefit the Danish population this could be a matter of interpretation in times like ours. Globalisation has a different meaning now than in the 1970s, and this is how the board has interpreted it. (Velux-interview).*

Consequently, during the last few years, the VKR-Foundation has supported 7-8 projects in central and Eastern Europe through their subsidiary companies. They are encouraged to pay attention to interesting local projects. Here the values of the “mother-foundation” are on trial, because it is not always easy to explain to the foreign partners that the foundation does not wish to mix the interests of business and charitable work. This means that it cannot be a condition for support that the business should be promoted. The projects must have their own value as humanitarian and social investigations – and if there are better and cheaper solutions locally, they should be chosen in spite of the chance of promoting Velux-products. Finding a balance is not easy, and this is an example of how integrated values, which in Denmark seems to be logical and easy to administrate can be challenged when “exported” into a European context.

The Egmont Foundation, too, is according to the statutes national in its focus. The explanation is that The Egmont Printing Company was a blooming Danish business in the 1920s, and at the time it was not commonplace to think internationally. But as the company has expanded into most European countries it would seem only natural also to expand the geographic range of the foundation – even if it would be difficult to alter the statutes. One example of an exception that has already been made is The Lithuania-project.<sup>20</sup> And in the near future the board will be reviewing its policy on this point.

*“This is absolutely a way forward. What has been an exception in the case of Lithuania could easily be a rule in the future. I think we have an obligation to work for democracy in Europe. It is a historical chance that does not present itself very often. I know it will be a long and difficult process – but it would be fantastic to be part of. And we are – after all – European citizens.”* (Egmont interview).

The director of the Egmont administration stressed that it would be natural to work in countries where Danish experiences could be of use. An example is how to build up democracy in society. And this would mean donations for projects in the “new” EU countries.

The Plum Foundation is clearly not only European but also international – and work in South Africa, Beirut and Palestine. The foundation wants to signal an international debate in Denmark – and elsewhere.

*“We absolutely – and according to our statutes – want to cross borders. But of course this is a challenge because we also are anti-EU in the sense that we are against a limited Europe. Another challenge is that it is difficult to*

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<sup>20</sup> The project in Lithuania has in co-operation with the Open Society Foundation worked on developing democracy in practice in the Lithuanian day care centres. The project implies educational programmes for pedagogues monitored by a Danish College of Social Care and Education.

*measure the effects of our efforts when we spread the grants so much.*"  
(Plum interview).

The A.P.Møller Foundation is basically a Danish foundation. One very important motivation for setting up the foundation was to ensure that the company, The A.P.Møller – Mærsk Group, is kept under Danish ownership and control and to protect it against (foreign) financial speculation. In short A.P. Møller wanted to save his life work and make sure that it would be managed according to the aims of its founder. But – as expressed in the interview – *"We are a Danish company with international activities."* And this means that occasionally donations are given to foreign projects like the Churchill College in Cambridge<sup>21</sup> and Scandinavia House in New York City run by The American Scandinavia Foundation. This last project of course promotes Scandinavian culture. The Foundation also receives several applications from abroad. Often they ask for free shipping of goods. But if the board finds the application worthy of support usually a grant is given instead of free shipping *"so as not to disturb our own business"*. What is more important is the continuous support over many years to the Danish Cause in North and South Slesvig – the border region between Denmark and Germany. This engagement builds on a strong national identity being a heritage during many generations in the Møller-family. Originally the Møllers came from North Slesvig and left when the Germans took over "the old country" in 1864. This loss made a great impact on the family, and like many other Danes the Møllers regretted the decision of the Danish government not to claim back the whole of Slesvig when the opportunity came up in 1920 and in 1945. Therefore it was a natural thing for the founder that activities north and south of the border should be supported. In recent years the focus has been on projects south of the border because activities north of the border no longer are engaged in with the National Cause.

This, however, is still the case south of the border, where a Danish minority of approximately 50.000 people lives. This minority does not in any way seek confrontation with the German authorities, and since the Bonn Treaty of 1955 the long road of reconciliation has been trod. However, there is still considerable interest in promoting Danish culture, civilisation and language, which is also shown by the fact that the minority has its own political party (Sydslevigs Vælgerforening). The A.P.Møller Foundation is still supporting the Danish Cause with considerable donations – particularly in three areas: Meeting places, schools and churches – and even several smaller applications that normally would not be "of interest" if they came from "the rest of Denmark". But it is stressed that the foundation does not interfere with politics.

Another interest, which The A.P.Møller Foundation shares with several other foundations, is to promote partnerships and relations in the Nordic Countries.

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21 This donation was inspired by the ship-owner's great admiration for Churchill's efforts during the 2. World War.

Generally in the foundations an interest in the European Foundation-scene and in international issues seems to be very weak – if at all existing. This can be explained by the restrictions in the statutes. However, some foundations have met with their “colleagues” with mutual interests in other countries to learn from them. For example, Realdania has visited the National Trust in England. But in spite of an opening to some degree towards Europe in the grant-giving policy, any knowledge of The European Foundation Centre (EFC) is indeed limited. The attitude that foundations are on their own and not to be seen as a “sector as such”, probably makes it difficult to see any advantages or even reasons to discuss a common foundation policy.

Most of the foundations had “heard about” the EFC. Some of them have been observers and have participated in one or two meetings (The Health Foundation); others have received material from the EFC but not participated in meetings (The Velux Foundation). Yet others have heard of the name but only have a vague idea of what EFC stands for (The Plum Foundation, KUF and Realdania). This also applies to The European Code of Practice for Foundations, The EFC statutes or the proposed European Foundation. The only Danish member of EFC as yet is The Egmont Foundation, whose director has been a very active in the EFC as a member of the board and who also has worked to awake interest for a closer connection to Europé.

*“But Danish foundations seem scarcely interested – and many do not have enough insight into European and international relations. The Danish legislation is so good, nobody wants anything to happen”. (Egmont interview).*

The other foundations do not seem very eager to become members of the EFC – most have not even considered it. Although an opinion sometimes expressed is that EFC-meetings probably could be an inspiration – even to Danish Foundations.

*“I think it could be an inspiration to hear about foundations in other countries – not always having to start from Adam and Eve. (Helse interview).*

The experiences of The Egmont Foundation support this. Much inspiration, important information and knowledge seems to have been a result of the membership. The foundation has received solid information about what the policy discussions in Bruxelles could mean for the future of foundations in Europe.

*“Focus is put on central issues – the roles and responsibilities of the state and the foundations. These discussions are frightfully to the point – even in Denmark. And also the European network which the EFC-meeting can support is a positive thing”. (Egmont interview).*

Obviously one obstacle as seen by other foundations is the impression that EFC is a club for the elite and that the meetings are no more than a “meeting-the-right-people-party”.

This is another way of interpreting networking, but it corresponds well with a reluctance to “abuse assets”. Also some foundations have the opinion that the EFC ought to be more outreaching.

*“I have not participated in the meetings, and it is not because I want to appear self-righteous, but I do not think it very relevant for us to meet in a closed and exclusive club. More interesting would be to attend some workshops on “how-to-do-it” – for example how to evaluate the effect of the work of the foundations. Because that is really problematic to do. If we could have a common learning experience – a kind of a “Foundation-highschool” I might be inclined to go.” (Velux interview).*



## Developments and emerging issues

What is the nature of current and emerging debates on foundations in Denmark? No doubt the boards have some serious considerations on this matter. They currently have debates on their roles and visions on the boards and in the administration, and one reaction to this research initiative was, that it was “very well timed”, meaning that foundations are a “trendy” subject.

### **New government policies and the autonomy of foundations**

One concern often mentioned is the new government policy towards the foundations and their role of complementarity and responsibility. Danish Social Policy since 1998 rests on a principle of involving the citizens, the business enterprises and the voluntary organisations in a more active and responsible way. Also the Ministry of Culture is applying this policy. This probably means that the foundations will be asked to play a much more visible role than before and also that the donations will be crucial for society in a more direct way. The Danish Welfare State is no longer automatically paying the bills. The government has long opted for a closer relationship between the state, the business community and the foundations. Some foundations feel this as a pressure – others seem not to take as much notice.

*“The expectations towards the foundations from the state have clearly become more visible. But on the other hand, if we were to go into areas where the state cuts down it would be a political interference, wouldn’t it. And we do not want that.*

*No one can put pressure on us. But if a cause is “life-blood” to us, we might well choose to support it all the same”. (A.P.Møller interview).*

The boards of the Velux Foundations have expressed their worries that the politics of the government makes the situation worse because of the growing interest in the short term “utility value” of the foundations. In the foreword of the Annual Report from 2002 it is stated that

*“recent years public interest in the activities of non-profit foundations has increased considerably. This development is welcome, provided that it evolves from a sincere wish to understand the role of foundations in a changing society. At the same time focus is increasingly being directed at the utility value of initiatives in the public as well as the private sector. The ambition of orientating research and education in a short-term profitable direction is getting more and more common. This attitude may lead to limitations and lack of risk willingness, and as a result, less capacity to meet future challenges. It is precisely this intermission between public and private activities that*

*non-profit foundations carry a commitment to adhere to their own ideas and objectives within their charters, and thus contribute to breadth and versatility in the Danish society.”*

As claimed in some interviews there is reason to remind the government that sponsoring and foundation grants are very different ways of working. Sponsoring is intended to benefit the company that is paying – it implies a visibility and some kind of sales promotion or a here-and-now-advertising effect. It is a rather short-sighted way of working. Foundation grants usually have intentions of a much longer effect. Foundations have a claim from the statutes to pursue the will of the founder and the moral standards of being of public utility; and this means that foundations must do their utmost to aim for development in society.

*“This aim for development might at times result in a critical attitude. But on the other hand, we want as little visibility as possible – we are not demanding logos placed all over the place or on the backs of people. I think the politicians ought to consider this matter very carefully – sponsorships from business companies and donations from foundations are absolutely not the same thing. We [the foundations] have a totally different agenda. Even if projects would be in need of “prompt money” this is not a policy we want to promote. This kind of operation clearly will diverge from our visions as a foundation.” (Velux interview).*

*“If it benefits the projects we gladly co-operate with different companies. But what we do has to be for the common good. We probably would not engage in sponsorships”. (Realdania interview).*

These worries are shared by most of the interviewees. They are concerned about the cut-backs in social services and culture and see things as getting still more critical. People have no energy to think creative new ideas. This means that the foundations have to become more strategic in the way they choose their partnerships and as to what kind of projects they support. Furthermore the implementation of the projects gets more important, because it gets harder to ensure public money to *continue* successful projects. At the same time it is recognised that the foundations have a favourable position in society.

*“Generally we must be very strategic – make some tough choices and even opt out in some cases. To be honest – practically every museum in this county has been supported by a foundation for renovations or enlargements. But how do we make sure that these museums can be run in the future? The state profits from our upkeep of its property – but the authorities are not ready to pay for the operation of the place. How can we*

*put the politician under obligation? We have to remind them that they are actually responsible for the national heritage. This is an issue I would like to discuss with other foundations.” (Egmont interview).*

Another scenario following these considerations is that in the future it might be more difficult to dissociate the work of the foundations from the work of state. And this would, according to the foundations, be an alarming situation for both parties. The foundations find it acceptable that they try out new ideas and finance projects that in the first round are difficult to accomplish in the public sector.

They also often set up a suggestion – or even conditions – to share the expenses for such projects, or aim at having projects continued with public money, if they prove to be a success. This means that there generally are no precautions against a close relationship with the public sector. But the limit is drawn when the projects are “forced upon” the foundations.

*“The projects must be established on the initiative of the foundations and the applications they receive. The public sector should not to a larger extent be allowed to influence the ideas and visions of the foundations. Public bureaucracy must never take power or gain influence here. This means that it always should be the foundations that initiate projects – and make an offer to the state or suggest a sharing of expenses. This is a good way to make experiments and try out new ideas.” (Plum interview).*

### **Internal governance issues facing foundations**

The foundations feel sheltered as well as trapped by their own statutes, and reflections on how to interpret the will of the founder in the best way and still be able to work in a “globalised Europe” are common. How can the assets materialise in the best possible way to ensure that society is gained? This question returns again and again.

*“The statutes set the scene for our work – but sometimes they seem too constricted and we are restrained from planning a new policy. And it is almost impossible to alter the statutes – we applied the Ministry of Civil Law for permission to adjust the provision that one third of our means should be used for nursing homes for the elderly. This rule is now so out of date that we actually cannot use the money. In the end we were granted the permission. But it was extremely difficult to carry through the alterations. (Helse interview).*

*“The board has discussed visions, strategies and criteria for donations. It helps us to see in what way we have fulfilled the statutes – and if we have*

*not we can do something about it by actively initiating projects". (Realdania interview).*

*"We still have to interpret how to understand the concepts of poverty, distress and need. Seen from a economical point of view it is always a relative concept and we do what we can to adjust to new developments in society." (KUF interview).*

The foundations also need to be inspired by what is going on in society as a whole. As worded by the chair of the Plum Foundation:

*"Our problem is that we are only eight people on the board and sometimes find it difficult to reach out to all corners of society – even within our restricted purpose". (Plum interview).*

The boards of directors are obliged to be knowledgeable and keenly interested in societal developments and trends, and they should actively deal with how to use the resources of the foundation. And how to let their strategies become known to the public. There is a risk that foundations will follow the "principle of Matthew" and let those who already are rich become even richer. This is especially the case when minority groups are concerned. Overall in society it is difficult for foundations to overcome such barriers.

*"At times it is too haphazard how the donations are decided upon. It is often dependant on who knows the foundations and knows how to apply for support. Not everybody can do that. The foundations must be active in this respect. Call on experts in different fields; hold seminars like the one we recently had on "the power of the press". Even the Internet has not been of much help as yet – but maybe this will better in future generations". (Plum-interview).*

Reactions to questions like "Do you think foundation leaders are doing enough to shape the role of the foundations and develop visions to carry them?" were on the whole positive.

As when accessing the role and visions of the foundations the interviewees have the opinion that the foundations are managed well in all aspects. The foundations agree that they should live up to their responsibility to society and set a good example in their management policy. How such good standards are formulated differ considerably among the foundations – a most obvious example of this is the degree of openness conducted by the foundations. Several foundations do not publish an annual report – others believe in "total" openness:

*"The one who lives in hiding lives well – this saying does not apply to The Carlsberg Foundation." (Carlsberg Interview).*

But there is no doubt that the foundations do everything they can to ensure the statutes and to keep up their respectable and good image. There is a fair amount of self-criticism, and in some interviews it is also anticipated that changes will take place when new generations take over the management.

*“The board of directors are very meticulous in their work – they do everything to make the decisions frank, just and “not political” (e.g. not party-political) – bearing in mind the responsibility for “the social”. (Helse interview).*

*“You never can do enough! – But we are very much aware of this. And as long as we have the second generation of the founder on the boards there is no hitch anywhere. We are kept on the patch of rectitude. Although there might be alterations when later generations take over.” (Velux interview).*

*“I think we will go on more or less as we used to. But naturally – a new generation might do things in a slightly different way”. (A.P.Møller interview).*

The overall impression is that the boards work hard to keep up awareness of the vision and profile of the foundations in their own house. When it comes to a public profile the foundations differ greatly as to what kind of publicity they prefer and as to what extent they want to be “famous”. Some – usually the smaller foundations – find it hard to attract attention from the public, others get far more attention than they want.

*“Of course we are not very well known – but we cannot all have as much money as A.P. Møller has. However, it would be marvellous to be able to make decisions like that. To use the power of money, not for ones own sake but for the benefit of society.” (KUF interview).*

# Concluding summary

The roles and visions illustrated in this report are to be seen as hypothesis and interpretations of the empirical data. Although the roles are analysed separately they will in practice overlap each other, and at the same time they will always reflect the societal and historical context of the foundations.

In the Nordic countries – for example – the point of departure for understanding roles and visions will always be the Welfare State. This means that the “role of complementarity” seems to be uncomfortable for foundations apparently because it questions their autonomy. And subsequently the role of substitution is (in a Nordic Welfare State) not relevant because no one wants to question “the responsibility of the state”. On the other hand – as pointed out by Jensen (1996) – the content of the Art Museums in Denmark are more or less created solely from donations. An estimate is that more than 90% of the artworks come from foundations, private gifts and royal collections.

Here we see a century old tradition of weaving the intentions of the founders with public efforts to create museums all over the country. We see a mixed economy where the donations are of crucial importance for the end result. And the role of complementarity seems to be evident. Still the foundations hold a very low profile in regard to this role. One explanation for giving such guarded statements probably can be found in the “policy of political neutrality”, which is common practice in most foundations (– the Plum Foundation being the only exception in this sample). The foundations do not want to be taken for granted or to be regarded as supporters for a certain governmental policy. Instead they build their own narratives of self-understanding based on an interpretation of their statutes and the will of the founder. Even if the foundations at times complain that they are “trapped” by their statutes, this impediment to act freely also can be used as a good excuse for keeping a “neutral” course.

On the other hand – each of the eight foundations feels that it makes an important contribution to society. They have visions and they are extremely scrupulous to comply with their own values. As it was mentioned in the Carlsberg interview, it is agreed that *“It certainly is the responsibility of the foundations to defend their own values.”* However, this does not lead to a consciousness of a general societal role, or to more theoretical considerations of roles and visions of foundations.

In the following some recurrent issues from the report are highlighted.

## The secret life of the foundations

By adopting an attitude of neutrality the foundations also tend to isolate themselves.

*“This is the club of the silent. Foundations live a nice and cosy life and are comfortable when they fulfil their obligations to the statutes – but they don’t necessarily feel obliged to actually tell anybody about their activities.” (Plum interview).*

Most foundations live a quiet life with donations being given more or less in secret. The foundations on the whole want to appear modest and not too flamboyant. They want to keep a low profile, and mostly they succeed. The foundations are not “secret” as such – they are all in the Telephone Directory, they have home pages, most of them appear in the KRAK-register of foundations. But what they do nevertheless resembles “secret services” to most people.

There are several explanations for this.

First, a central registration has been abolished. This makes it extremely difficult to get a general view of the foundation world.

Second, many foundations do not publish Annual Reports about their activities. Nor are any presentation of donations, accounts and assets submitted.

Third there is practically no research on the subject.

And fourth, the public gets practically no information about this section of society except in the case of scandals or controversies.

For instance in The A.P. Møller Foundation this attitude of discretion is prominent – “We are not here to promote ourselves – but if the recipients want to go public, they are welcome to do that”.

This is not an unusual decision, and the reason – as it often turns out – is that the board does not want the publicity.

*We want very much to be an ideal model as a foundation and as a business. And foundations should not be too visible or too flamboyant – what counts is the results not the deed. If by accident we would be exhibited on the front page of the tabloid press the only excuse would be that it cannot be otherwise – that the specific grant gets attention for good or for bad. And we would accept the attention because we know that we have done our preparatory work well. But normally we want to keep a low profile and keep our good reputation in the public eye.” (Velux interview).*

As a result – the “good reputation” remains the narrative of the board, whereas the public in reality knows very little and has only rumours and gossip to judge by. Applicants are often left in the dark as to why they did or did not receive a donation. And

even the foundations themselves have a limited knowledge of other foundations and what they do.

*“I honestly do not have a clue about what other foundations stand for. And even if we have this directory of foundations, they are hard to find and it seems difficult to grasp on what premises they work, because everything is up to the interpretation of the boards. Actually the world of foundations is a very secluded one”. (Plum interview).*

Three out of eight foundations interviewed in this study do *not* publish an official Annual Report. Foundations with smaller funds often chose not to use money for a publication – and this is the case with The Plum Foundation and Copenhagen’s Charitable Association. In the third case The A.P. Møller Foundation has chosen the discreet path not to “go public” in spite of its status as probably the largest foundation in Denmark.

Five foundations have published their Annual Reports. Often these reports are glittery and beautiful publications. And the reports certainly are always interesting reading telling the stories of flagship-projects and the honorary objectives of the foundations. The narratives in the annual reports are characterized by the paternalistic values of the founders and by the endeavours of the foundations to “have a good reputation” and being an “ideal model” whether the goal is to be innovative or to preserve cultural heritage.

However, what seems to interest the public (and the press) the most are not the published reports but the unpublished ones. Not to publish an Annual Report seems to put a veil of mystery across the activities of a foundation, and ironically enough this attracts curiosity and arouses speculation. The same could be said of all the things foundations do not write about themselves – despite the glittery reports. Naturally legitimacy is important to foundations. However, it is not always obtained by being discreet or invisible – keeping a low profile. The question is whether a clear manifestation of values and intentions would make it easier for outsiders to “understand” foundations and their role in society? And would such a manifestation be possible for foundations to make without the feeling of losing control or autonomy?

### **The freedom of foundations**

The statutes are the constitution of foundations. They set up aims and objectives and help to keep the board on the path of virtue. Statutes are rules and regulations and are in that way restrictive. Sometimes the interviewees mentioned that the original deeds put up hindrances for action, and interpretations of the statutes take up much time and discussion in the meetings of the board of directors.

On the other hand statutes give freedom and possibility for interpretation and the liberty of creativity. As long as the statutes are followed the foundations feel secure and fine about what they are doing. Foundations are in fact the only organisations in society which are free to choose what they want to do, and which are relatively resource-



independent within the scope of their own assets. In this way foundations are “above” society – as a kind of royalty – they do what they want and they cannot be touched. However – in order to keep the throne they are obliged to serve society.

The critics of foundations are often deeply sceptical towards what they see as the increasing influence of the foundation on the life and policy of culture in Denmark. They see the donations as a two-edged sword. On the one hand the foundations can build museums and opera houses. On the other hand they seldom or never give money for operating these institutions and partly expect the state to pay these expenses. And this opposes the democratic processes. *“The foundations will undermine the public policy debate on culture. It is a re-feudalisation. We are returning to the donations of princes and the church. It will turn out to be a democratic problem,”* says Peter Duelund professor at the University of Copenhagen. (Krogh Andersen 2002).

Some people doubt whether the foundations actually are interested in culture or if they just want to evade taxation.

Others are more pragmatic in their judgements. Foundations are seen as important innovators, and if they want to build museums and opera-houses, we should be glad. The Danish concept of the “Law of Jante” (which tells you not to believe that you are important and that nobody should be more important than others) probably has a say in the way foundations are looked at.

Politicians see the foundations as a supplement to the state – but they also vision a more extensive partnership with large business groups. *“We live in a democratic society with many new power centres. Decisions must be taken on many levels. It would be naïve to think that the Parliament should decide everything,”* says MP Elsebeth Gerner Nielsen (Krogh Andersen 2002).

But as long as the statutes also liberate from democracy, how can we know whether the statutes actually are secured, whether the board members are virtuous, whether the funds are used to benefit society?

The foundations in this study were all convinced that they did their best – and even that the work could not be done better. This is a question of trust – and trustworthiness is a matter not often questioned by the boards.

On the other hand – the foundations are well aware that as long as they “serve” they also have all the “freedom” in the world.

*“The foundations ought to be the last to moan! They are almost sacrosanct, and if they give up hope, one could say that they have played down the significance of their role.”* (Carlsberg interview).

### **An individualistic self-image – but a similar way of thinking**

As shown above some values and visions of the roles of foundations are clearly similar across very different statutes, years of founding and “politics of value”.

The historical and political contexts as well as the background of the founder clearly play their part when activities are set up and projects worthy of support are chosen. As much as foundations try to adjust to post-modern times and new societal circumstances, to be informed of trends and developments and to interpret the statutes accordingly – they will always be a child of their own time and bring with them the values of the past.

To some extent the foundations have the same ideas about essential parts of their activities.

An example is the recurring theme of the autonomy of foundations. This is a “classic” issue that has been much debated the literature as well as in the daily life of *all* voluntary organisations – foundations clearly being no exception.

The narratives found in the interviews (and in the annual reports) often bring up issues of freedom, creativity and responsibility to society. This corresponds to agreement to roles and visions of autonomy, innovation and alternatives; and disagreement to the roles of redistribution and of “no-challenge” to society. Neither do foundations want to be part of new public management

<b>Narratives:</b>	<b>Roles and visions:</b>	
	<i>Agree with</i>	<i>Disagree with</i>
Freedom	autonomy	Part of state /public management
Creativity	innovation	redistribution
Social responsibility	Alternatives/social changes	“No-challenge” to society

On other roles and vision statements the foundations neither agreed nor disagreed – the answers were diverse and leaning towards the tradition and the purpose of the foundation in question.

Even on the question of complementarity – so closely related to the question of autonomy – diversities came forth. This role all eight foundations absolutely did not want to identify themselves with, and they all renounced it. Still the reactions to the statements about complementarity showed this role to be a problem – in practice and in attitudes of ambivalence. The foundations clearly did not want to fill out “holes dug by the government” – but in practice they found it difficult to avoid – especially when it came to helping individuals.

Also the understandings of “complementarity” differed according to the aim in the statutes and the size of the assets. The larger the assets the less the foundations seemed to be concerned about filling out gaps.

Can we then talk of a similar way of thinking in the foundations? Naturally the very fact of being a foundation submitted to the same legal rules and societal frames, the same obligation to serve society and the same freedom of action, must bring forth a certain similarity in narratives of value across the vast field of – otherwise – extremely different foundations. And this similar thinking shows in spite of – or may be because of – the self-image each foundation has of being unique.

A question to be further examined is whether the values seem similar because of a similar use of language – that is to what extent the narratives are “just” typical of our time – or to what extent the foundations actually differ in their understanding of their roles and vision?

Another question to be asked is why this common ground for thinking has not resulted in a form for dialogue among foundations? Are the (large) foundations self-sufficient acting like a state within the state? Do the interests of foundations after all differ too much?

### **The foundation world is a world of men?**

*“On the whole there are very few women in the world of foundations – so may be when I [as a woman] make a suggestion other foundations see them as genderspecific! I do not know many foundations here or in the rest of Europe with women as directors. And I see even fewer women serving as chairs on the boards.” (Egmont interview).*

In this study we find in total 68 members of the boards – only 14 (21%) are women. In two cases the chair of the board is a woman. One foundation is founded by a woman (The Plum Foundation) – and here we also find one of the female chairs.

In the administrations we find 68 employees, and here the percentage of women is three times as high – 65% (= 44 persons). And about half of the administrative directors are women.

What – if any – implications can be seen from this?

First of all this material is too small for any conclusions to be drawn. Yet – at the same time similarities to other voluntary organisations are striking. Women relatively rarely take up positions as board members in voluntary organisations. In sport organisations the lack of women in leading positions is strikingly low when compared to woman’s participation in sports and memberships in sport clubs. Even in social work organisations, where women notably volunteer more often than men, the positions on the boards are mostly occupied by the relatively few men in these organisations (Habermann 2001). Furthermore, as foundations are voluntary organisations/private entities the law on equality between the sexes do *not* apply here, as it actually does in the so-called “Quangos” (quasi-non-governmental organisations or foundations), where the board of directors “even in entities that cannot be seen as public” must have a balanced compo-

sition of men and women.<sup>22</sup> In other words it is the responsibility of the foundations to have a policy on equal opportunities. Apparently it is not often the case that foundations have an awareness that the “ideal model” they want to set up also might include equality issues.

One could argue that a more balanced composition of men and women on the boards of the foundations would bring about a more balanced output of the donations and projects. But this is obviously a normative, theoretical statement – and cannot be confirmed empirically here.

However, there has been a growing interest in women’s “political culture” and women’s participation in civil society organisations. During the 1990s innovative work on theories of the role of the state, maternalism, women’s roles in political processes and nation-building has mapped a direction for future research. (McCarthy2001)

In the nineteenth century, middle-class and elite women coupled their private donations and their work as volunteers with public funding to foster an invisible – but often significant – form of political activity. This was often combined with a fight for women’s rights. And mostly women’s contributions were related to care-activities. The topics of care and justice dating back a hundred years have been at the centre of what can now be thought of as feminist ethics (Held 1995). Within feminist theory caring relationships have been seen as primary for women and girls; for men and boys morality has been seen in terms of justice – rules and rights.

In a study of women’s participation in the voluntary sector in Norway Selle (2001) found that the overall female membership rates in the voluntary sector are as high as the men’s. But as the composition of the organisational society changes over time, women – and especially young women – have lately been more inclined to join organisations that formally were male-dominated. According to Selle this means that women lose their leadership-roles when they leave the women’s associations. Selle also found that men and women join different kinds of voluntary organisations. Men typically join sport clubs and economical-associations; women typically are members in social/humanitarian organisations. This “division of labour” has brought forward many hypotheses about women (and men) in philanthropy and civil society.

In a study on the structures of women’s non-profit organisations Rebecca Bordt (1997) expected to find many collectives. Instead, hybrid structures between bureaucracy and collectives had emerged showing new innovative structural forms. But these forms did not preoccupy the women interviewed for the study. They claimed the organisational structure had “just emerged”, that it was “serendipitous”. They were far more occupied with helping and saving lives.

In some respects – and certainly when it comes to issues of equality between the sexes – it seems that the voluntary sector forms a caricature of the labour market. The division

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22 Lov nr 388 af 30. maj 2000 om ligestilling af kvinder og mænd.

of labour and traditional sex roles become outstandingly evident. A hypothesis could be that women have used their strength to defend their standing on the labour market – and that they do not feel like repeating the struggle when it comes to their voluntary work? Or may be that women, when they have the choice, do prefer caring activities to board member positions? Or that women prefer different organisational structures?

In this case one ought to question the barriers to women's participation in the foundation world.

Are foundations perceived as economic organisations, which traditionally are not a woman's world?

Does the male domination in the foundation sector mean that women are not put up as candidates for positions on the boards?

Do women themselves avoid (voluntary) leadership positions – and why?

A majority of the employees administering the foundations are women. What are the reasons for this discrepancy?

### **A small opening towards Europe**

On the whole the foundations in this study have a limited interest in European and international matters. There are several reasons for this.

Firstly, the statutes are often limiting or even “forbidding” donations outside Denmark. Money generated in Denmark should not leave the country, is the usual explanation. This of course makes it irrelevant and of little interest for the boards to be interested in international and European issues. Some foundations have opened up for donations outside Denmark by interpreting the statutes in a global setting. Others actually have the purpose to go across borders into North Schleswig and The Nordic countries. Only one foundation is clearly international by the will of the founder (The Plum Foundation).

Secondly, in Denmark the culture and tradition of foundations is secured by a favourable legal environment. The foundations do not want this altered – and certainly not meddled with or brought too much out in the open. An expression often heard in the interviews is that Danish foundations live “in a cosy little corner” and no one wants a different world.

The foundations interviewed were to some extent aware of EU plans for a new EU legislation on foundations. They have also seen that the Danish government recently set up more specific expectations for “a social responsibility” on the part of citizens, business companies, voluntary organisation and foundations.

Does this new policy development constitute a threat to the life of foundations? Apparently not as yet. And certainly not enough to motivate the foundations to form a liaison to “fight the common enemy”. Furthermore, up till now only one Danish foundation is a member of The European Foundation Centre. And none of the other

seven interviewed foundations had any plans to join the club, as they said. One reason being the unnecessary extra bureaucracy an organisation like that puts up. Another reason is the sense of exclusiveness and “European elite”, which does not fit well with the image of modesty and altruism in the self-understanding of (some) foundations. A third reason being that it is to the best belief of the foundations that they do not need the information and discussions that could be the result of a membership.

Is this behaviour a bit ostrich-like? Are the problems not faced?  
And is it safe for Danish foundations to go on living their quiet lives?

## Policy implications

*Why does a small country like Denmark have as many as 14.000 foundations?* This question was put up at the very start of this report. And the whole study has been an endeavour to give a few qualitative answers to this broad question.

The fact is that 14.000 foundations in a country of 5 million inhabitants are a relatively high amount. And even if less than one hundred of the many foundations have very large assets, the economic contributions that Danish foundations make to society are considerable. Apparently not only traditions but also a favourable legislation has had an influence on this development.

As mentioned several times foundations have the privilege of freedom. Foundations are in fact the only organisations in society which are free to choose what they want to do, as long as they “serve” society according to the will of the founder. The point is that foundations have a wish to contribute in a positive way to the development of society. This connotation does make foundations a part of society – they are not “neutrals” – and in spite of their claim of being autonomous they are highly influenced by what goes on in society – by the government, universities, political parties and think tanks. A new study shows that these external influences have the result that foundations [in the U.S] prefer to make grants to organisations perceived as “legitimate” by these influences (Aksartova 2003)<sup>23</sup>. The more politically controversial causes were often kept out of donations, and the researcher concludes that although many foundations posit a strong role for themselves as separate from the government, at least rhetorically, most foundations were affected by the normative pressures from the state and the public. This might in fact also apply to Danish foundations.

Furthermore, the foundations seem very careful not to let cuts in public expenditures rule their donation policy. And the interviews show a concern not to “undermine” the

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<sup>23</sup> The study based on data from the Foundation Grants Index was published in Nonprofit and voluntary Sector Quarterly, March 2003).

Welfare State. At the same time the present government has expressed great interest in partnerships with foundations as well as with the business world.

The question of autonomy combined with the actual policy initiatives and the fact that Denmark has a multitude of foundations point to the following policy implications or recommendations. They all emphasize the need for more knowledge and more openness about the “secret world” of foundations.

### *1. The Registration Law should be re-established*

As the Registration Law from 1982 was abolished overnight on the 1st of January 1992 all chances of a comprehensive registration including all Danish Foundations disappeared. The result was that the transparency and a general overview of the field – not to speak of the possibility to analyse the development over the years – was no longer possible. It would seem in the interest of all parties – government as well as foundations – that debates on partnerships, responsibilities and possibilities could be based on statistical facts and not on myths.

### *2. Annual Reports should be published*

To further extend accessibility to the field and to opt for more openness and less mystery the recommendations is that foundations as a rule publish (some kind of) annual reports. Some foundations already do this in the most recommendable way – and the publications indeed represent fascinating reading for the public, the press and the authorities. However, most foundations do not have any published record of their activities; and this contributes to isolate them from the very society they are aimed to serve. Furthermore, in respect for the wish of the foundations to live a “quiet life”, it is the belief of the author of this report that the legitimacy of foundations would profit from more openness.

### *3. Debate and dialogue should be promoted*

Foundations clearly have much common ground and value-heritage. It seems a waste not to elaborate on this. Some [larger] foundations do meet informally to share useful information – and in rare cases to set up a common action plan. Such meetings could be expanded to include more [smaller] foundations to ensure legitimacy and high standards and to debate future legal issues and partnerships.

### *4. More research should be conducted*

This recommendation may seem trivial. But the Danish Foundation World most certainly is under-researched. Apart from historical studies on single foundations (usually published on the occasion of anniversaries and celebrations) very little research –

qualitative as well as quantitative – has been conducted. The reasons can be several that foundations have not been of political interest until now; or that the accessibility to the field has been complicated. But as Lynge Andersen (2000) points out, Denmark has a rich administrative praxis in this field, which would be an interesting base for more research.



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## **Annual reports and Jubilee Publications**

Sygekassernes Helsefond, Årsskrift 2001

Sygekassernes Helsefond, Jubilæumsskrift 1973-1998

Veluxfondene, Årsskrift 2001 og 2002

Carlsbergfondet, Årsskrift 2001, 2002 and 2003

Egmont Fonden, Årsskrift 2001 and 2002

Fonden Realdania, Årsrapport 2001 og 2002

## **Web-sites**

[www.VELUXfondene.dk](http://www.VELUXfondene.dk)

[www.helsefonden.dk](http://www.helsefonden.dk)

[www.egmontfonden.dk](http://www.egmontfonden.dk)

[www.plumfoundation.dk](http://www.plumfoundation.dk)

[www.realdania.dk](http://www.realdania.dk)

[www.carlsbergfondet.dk](http://www.carlsbergfondet.dk)

[www.carlsbergmindelegat.dk](http://www.carlsbergmindelegat.dk)

[www.tuborg.dk](http://www.tuborg.dk)

## **List of interviewees**

Københavns Understøttelsesforening: Arne Pilehave, Head of Administration

Sygekassernes Helsefond: Hanne Jervild, Head of Administration

Veluxfondene: Kjeld Juul Petersen, Director

Carlsbergfondet: Povl Krogsgaard-Larsen, Chairman

A.P. Møller og Hustrus Fond: Ove Hornby, Director

Egmont Fonden: Bente Groth, Director

Enkefru Plums Støttefond: Tine Bryld, Chair of the board

Fonden Realdania: Carsten Kjær Sørensen, Projectmanager

Comments from Finn Terkelsen, underdirektør, Tuborgfondet og Hans Edvard Nørregård-Nielsen, bestyrelsesformand, Ny Carlsbergfondet.

## APPENDIX: Case-study summaries

### 1. Kjøbenhavns Understøttelsesforening: Legatfonden (KUF) – Copenhagen's Charitable Association: The Bursary Foundation

*Year of founding:* 1874

*Purpose:* To help the needy and deserving poor – especially those who have no other ways of getting the needed help. The statutes have been reviewed several times – latest in 1999, but the purpose has remained the same.

*Yearly grants:* app. 1 million

*Capital:* 23 million

*Board:* Three members – all men. During the years practically no women were on the board – although in the practical work at least 50% were women. The publication telling the history of KUF's first 50 years is illustrated by photos of about 100 men – not one woman. Until this day there have been no women on the board of directors.

*Administration:* 1 full time employee is the head of the administration office.

*Location:* A large old-fashioned apartment in a house from around 1900 in the centre of Copenhagen. The flat mirrors the traditions of the foundation, and it somehow gives the impression not to have been altered since it was built.

*Reasons for inclusion in the sample:* This foundation is chosen for the sample because it represents traditional charity and help to individuals and is based on values that go back a hundred years.

The charitable foundation was set up in 1874 in the midst of a period in the history of Denmark when industrialisation was speeded up and agricultural labourers in high numbers moved to the capital – Copenhagen. The public poor relief was regarded as degrading and insufficient, and attempts were made to establish a so called “Free poor relief” which recreated a possibility for the church and the bourgeoisie to enter the field of helping the poor. This also created a distinction between the deserving and the undeserving poor – the former being the sick, the old or the unlucky but hard-working who needed a helping hand. A feeling of humanity seemed to penetrate society at the time and also public money for poor relief was seen as “masked socialism”. Charity building on the philanthropic base of human love and dignity was seen as the best way to help; but also different insurance schemes were thought of, and the board regarded “help-to-self-help” to be the best form of support the poor.

The in church parishes of Copenhagen poor-relief had been taken care of by the local minister, and in 1869 the parish relief work was co-ordinated by a central board. However the initiative was met with resistance from the local parishes – they wanted to

go on “as usual” in their own manners. After years of negotiations the idea of co-ordinating all free poor relief in Copenhagen had to be abandoned. One important reason for this was that the parish work on a Christian base did not agree with the still more obvious influence of the humanitarian and more secular ideas of the bourgeoisie including the Jews who gave considerable amounts to support the case. This in fact meant that the Christian parish work was opted out.

At last in 1874 – after new hard negotiations – a new organisation, The Charitable Association of Copenhagen, was set up and joined by 14 localities in town. It was supported financially by prominent citizens among others Brewer Jacobsen whose contributions were considerable. The aim was to help the deserving poor, but in the long run it was difficult to raise enough funds. Long and cold winters as well as unemployment drained the resources. And workers on strike caused serious discussions on the board about the helping-policy of the association. In order to help as efficient as possible in 1886 the association set up an agreement with the public authorities in the city to control “double-giving” – as a compensation for this the Association received a grant to cover administration costs. This was a first partnership set up on the premises that for years the authorities saw the contributions of the association as a considerable input helping to keep down the expenses of the public poor relief.

But the population in Copenhagen increased and the Association found it difficult to make ends meet. 25 years after its founding the association had to admit that newer charitable organisations attracted more interest among people. And because of shortage of funds the board found itself unable to help in a way they thought the best, namely by giving “help to self-help”.

In the meantime the government had put up the suggestion that the local authorities should expand their poor relief, and this resulted in a closer partnership between the Association and the authorities in Copenhagen. More funds were given to the association who distributed them to the needy. This was a complete change in policy of the association – because the statutes clearly were against receiving money from public authorities, they should only be given voluntarily and as private charity. However, the board choose to receive the money which gave them the possibility to go through with their objective. This went on until the War broke out in 1914 and many men were drafted for the Danish army. The government then decided that the soldiers’ families should receive public support – and this was a starting point for an increasing state responsibility for social security. The association was still responsible for the practical arrangements and had to employ several people to do the job.

The board felt more and more uncomfortable – the whole arrangement did not fit the idea that help should be given to the needy once or twice a year when it was judged necessary, whereas now families received help on a regular basis and regarded it as a “right”. Also the use of employed staff became a matter of discontent as some regarded the principle of volunteer workers as essential – and some volunteers found it unjust that they did the same job as the employees – but without pay. At the same time the social democrats in the town council worked hard to have the municipality take over the

“business” of social security. In this context the board decided to opt out of the close relationship with the authorities in order to survive as an independent organisation. The town council thanked the Association for its good and altruistic work, but did not attempt to alter the decision of the board. But not before 1921 did Copenhagen succeed in constituting its own social services called “Hjælpekassen i København”, taking care of and supporting the deserving poor.

Following this step a revision of the statutes were necessary. It was pointed out that the Association from now on will grant help only to deserving poor who cannot get support from other sources. – this meant that the undeserving poor and people receiving some kind of old age pension or sick pay were excluded. And the original aim of the Association to “prevent begging and swindling” was accentuated.

The group of needy now being the first priority of the Association was the so called “pauvres honteux”, e.i. people in “hidden poverty” who for some reasons (to be respected) would be ashamed to ask for help from the public services. But the board stressed that this priority did not mean that only “noble poor” were considered. An important group receiving help were widows with young children and people who for some reason did not fit into the rules of the public support. The board also stressed that the judgement for giving help should be flexible. Apart from giving financial support the association granted loans through a bank to prevent usury. Also, in order to make it possible for single women with children to maintain their family by working in the home sewing machines, mangling machines and the like were lent out. At times help was given to start a business or small enterprise.

The Association had an extensive co-operation with other charitable organisations. Often the Association judged whether or not help should be given by other organisations, which did not have an administration to go through with such judgements (casework).<sup>24</sup> In some cases the Association had the authorisation from the Railway to give out free tickets for important journeys. There were agreements with other organisations to provide recreational stays in the countryside, sick care, help to relatives of psychiatric patients, hygienic precautions for tuberculosis patients, food for children, distribution of fuel and Christmas parcels. The Association in this way contributed to co-ordinate private charity. And certainly a co-ordination was appropriate. In Copenhagen alone 70 charities worked with children and youth – and all in all app. 600 organisations of different types existed.

But severe resistance to charitable organisations also was obvious. Especially from the labour movement critical voices were heard. K.K. Steincke – the later minister of justice and social affairs in the social democratic government – campaigned against private charity. In his book “Alms or Rights” 1912 he wrote: *“...This army of organisations [are] without real co-operation. On the contrary, they compete with each other. They express on the whole a febrile activity and are so zealous in their cause that this almost*

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24 One of the earliest partners were “Det Classenske Fideikommis”.

*surpasses most of the volunteers' lack of knowledge of the population they wish to help and of the legislation whose shortages they seek to fill out. ...And every well-meaning lady seems to be appointed an expert in the art of social support".* Steincke and his party accused charity of being "*sentimental, confused, vain and mendacious*" and worked (and as we know from history with success) for social benefit to become a citizens rights – not degrading alms.

### *Organisation*

Today the Association is organised pretty much the same way as 100 years ago. The Board – consisting of three members – makes the final decisions about all donations. But this steering committee is supplemented by a governing body consisting of the chairmen from each of the twelve local committees. These local committees have altogether 28 volunteers – the so called "frivillige undersögere" (voluntary caseworkers). Their task is to check on the applicants and their needs. As the director expressed – the Association certainly is eager to help; but not to be cheated on.

The volunteers are often local ministers or schoolteachers and even public servants. This is a deliberate policy on part of the Association, because such professionals are supposed to know about local needs, and to have their finger on the local pulse.

In the executing committee all are men. Among the chairs in the local committees we find five women, and of the 28 volunteers 15 are women.

The secretariat has during the years been shrinking. In the beginning of 1900 the foundation employed a rather large staff. In the 1970s the staff was 4-5 employees, whereas today it is down to one: the paid head of the office.

### *Grants*

The Association only supports people who have a permanent address in Copenhagen or Frederiksberg. The support is supposed to further "help-to-self-help". All applications are examined and assessed separately – often through a visit in the home to clear up the need for help. In fact a card is kept for each applicant since 1874. In this way it is possible to keep check on how often each applicant has received help. In some cases the same applicant has been supported regularly for more than 80 years. Grants up till the sum of DKK 5.000 can be recommended by the local committees. Larger sums must be put before the board.

In the first 50 years the Association from its own assets helped 186.000 persons – or 3700 a year. In all 7.100.000 million DKK were donated. The average amounts given from the Associations own assets were between 29 -128 DKK. On top of this additional public benefits were distributed. In total this amounts to another 141.500 receivers of help – and another 7.705.344 DKK given out.

In 1924 the year of KUF's 50 year's jubilee the assets were nearly 1.5 million DKK. In the Year 2002 the capital had grown to DKK 23 million. The association has during the years through personal wills received 264 gift-grants that constitute the assets. Also the Association has applied for grants from other foundations to supplement its donations. Also the Association administrate the distribution of the assets of three smaller memorial-grants.<sup>25</sup>

The aim is to give out app. one million crowns each year. A certain amount is reserved for Christmas donations.

<i>Københavns Understøttelsesforening</i>	2001	2002
Total amount in grants given in DKK	731000	1017000
Hereof: Help for Christmas in DKK	203200	218500
Number of applications supported	530	552

### *Example of grants*

- ▶ Divorced mother, 41 years old, has lived in a women's shelter. A grant was given for kitchen hardware when she moved to a new flat.
- ▶ A woman of 21 years of age suffering from bulimia received support for a dentist bill. The public health care had paid a similar amount of DKK 4.500.
- ▶ A 62 years old pensioner suffering from a rare illness was supported with supplementary economic help.
- ▶ A man of 40 years of age – formerly a drug abuser – has worked up some rather large depths. After careful scrutiny of his situation a grant of DKK 5.000 was given to cover some selected posts.
- ▶ A couple with three children – two of them new-born twins. One of the twins has a kidney disease; the mother is herself seriously ill. The father must take care of the family and cannot finish his dissertation. The family was formerly supported by KUF, and receives a gift of DKK 4.000 as an encouragement.

## **2. Helsefonden (Sygekassernes Helsefond) – The Health Foundation**

*Year of founding:* 1973

*Purpose:* To support health and social medicine by giving grants to

- a. day-care centres and nursing homes for the elderly and disabled
- b. research within healthcare and social medicine
- c. information about health
- d. projects in the health and social sector

<sup>25</sup> Jytte og KK.Steinkes Legat, Hella og Anna Breunings Mindelegat, Fonden "De stille Stuer".

*Yearly grants:* 50 millions

*Capital:* 600 millions

*Board:* The board consists of seven members – five politicians and two representatives from the ministries of Health and Social Affairs. Two members are women. – including the chair.

*Administration:* The secretariat consists of four full time employees. The director is a woman.

*Location:* The not very large offices are located right in the shopping centre of Copenhagen in a renovated apartment building furnished in a modern Nordic style.

*Reasons for inclusion in the sample:* This foundation was set up by the government in a law that abolished the private health insurance and introduces the public health services. Law that the capital of the private insurance societies should form the basis for the work of the foundation established it. It is chosen as an example of one of many government initiatives in the world of foundations.

The Health Foundation has its roots in the private health insurance societies set up during the late part of the 1800s. Every local community had its own society/association – in 1960 Denmark had more than 1500 such societies – although in 1970 the number was reduced to 275 which was equivalent to one for each municipality. The societies were gathered in regional associations and nationally had an umbrella organisation: “De samvirkende Centralforeninger af Sygekasser i Danmark.”

When finally in 1973 the private health insurance societies were abolished by law to introduce the National Health Insurance many found it difficult to accept that a large voluntary organisation was to be discontinued in favour of a state institution.

But – as stated in the Jubilee publication from 1998 – one of the good things to come out of this was the founding of the Health Foundation. In the new law on health insurance it was established that the capital of the private societies should form the basis for the work of the foundation. But this was not achieved without years of political debates and fights. Nobody had ever imagined that the insurance societies would be abolished, and the question about the future of the capital came as a surprise. The State wanted to confiscate the money for public use whereas the societies maintained that the money should go back to the members. They wanted a solution to gain the population who had created the capital. And at the end of several years of negotiations and more than 40 proposed amendments in parliament (Folketinget) an agreement was reached to create the Health Foundation. This result was called “a victory in a time of defeat” by the people who had wanted to keep the private insurance societies. The associations clearly had an image of themselves as progressive voluntary organisations breaking new grounds in health issues and taking many initiatives for developments. They felt that this was the reason for the societies to be abolished; they were a constant source of irritation to the politicians who wanted to be in charge of the planning.



On the board of the Health Foundation were – and are – representatives from municipalities, counties and ministries as well as from the former insurance societies and the aim of the foundation was sufficiently broad to consider different interests. The foundation has since it was set up had three chairmen: From 1973 – 1987 Niels Mørk, who was also chairman of the National organisation of the insurance societies. From 1987-2003 Hans Jørgen Jensen who also had his roots in the private insurance associations as an employee? Since May 2003 the chair is a woman, Inga Skjerris.

The capital was in 1973 about DKK 200 million placed in local banks with low interests, and these banks set up a fight to keep control of the means reviving the traditional dispute between rural and urban interests and regional developments. However, after the creation of the foundation the National Bank placed the means in bonds which meant that the capital quickly increased. And in fact during the years to come all local communities have recovered more than their “lost money” in the form of support for local projects. In the following years only limited criticism was heard, but in 1979 a political right wing party (Fremskridtspartiet) proposed to abolish the foundation (and other foundations) on the grounds that it was democratically alarming to have other than publicly elected politicians empowered to make grants. No other parties supported the bill.

### *Grants*

In its first year 1973 the foundation received 17 applications – 8 were complied with. Ten years later the number of applications were 456 and 297 were supported. In 1993 the number of applicants had more than doubled to 966 of which 323 were supported. Up until 1988 more than half of the applications received support. After that about a third of the applications have been complied with.

Since 1973 in total 1.207.835.558 DDK has been given out as grants. In the year 2001 34 million DKK were given to 197 projects out of 598 applications. This means that a third of the applications were complied with – but the grants amounted just about 14 percent of the total sum applied for.

<i>Helsefonden</i>	<b>2001*</b> grants DKK million	Number of applications	Application s supported	<b>2002**</b> grants DKK million	Number of applications	Applications supported
<b>Total</b>	<b>34</b>	<b>598</b>	<b>197</b>	<b>30,3</b>	654	202
day-care centres and nursing homes for the elderly and disabled	7,2	126	53	5,7	118	47
Research within healthcare and social medicine	12,3	140	38	11,3	148	43
Information about health	4,5	204	54	4,2	234	62
projects in the health and social sector	10	128	52	9,1	154	50
*14% of the sum applied for was donated – one third of the applications were complied with ** 11% of the sum applied for was donated – 31% of the applications were complied with Source: The Yearbooks						

### *Example of projects supported*

- ▶ Alcohol and health – research project
- ▶ Top Top og Hop. A project to further health and knowledge of health risks for overweight children
- ▶ Sport for autistic children
- ▶ Development of sport activities for marginalised groups
- ▶ Balanced diets and exercise for mentally retarded persons
- ▶ Football as a method for integration – a project for immigrant boys
- ▶ Physical exercise for the elderly

### *Activities*

An illustration of the activities of the Health Foundation can be taken from the annual yearbook in 2001. Here it is explained that one focus of the foundation has always been physical exercise which is seen as a method of achieving better health and higher quality of life. Physical exercise should be a part of daily life of everyone. However, the projects supported by the foundation in this field are mostly focused on groups of people without ability to join regular sport club activities. Often only the strong groups in the population take part in sport activities – the elderly, the disables and other minority groups are not included. The foundation wants to give the possibility to such groups to experience the fellowship and the strong incentives of sport.

The overall focus has been on alcohol and other drug-abuse, on minority groups, on disabled and in recent years on sexual abuse. Each year a special prize is rewarded to a researcher for his/hers work in these fields.

The foundation often takes initiative to set up conferences to focus on important issues in social policy and social medicine.

Another field of interest is neurobiological research. In partnership with other foundations donations has been given over a five years period to further this medical research. A co-operation with the county has insured that the work can be continued.

One of the activities of the private societies was the magazine “Helse” (Health). It was started in 1955 to give the members information about health issues and was given out for free. This activity has been continued and the magazine is distributed by local practitioners and pharmacies. Now “Helse” works independently of the Health Foundation as a corporate foundation publishes different pamphlets and even works as a travel agency for health journeys.

The foundation still wants to be regarded as creative, taking new initiatives and willing to take risks in trying out new ideas. In the Jubilee Publication (1998) it is phrased like this *“It is to be expected that the Health Foundation supports projects for prevention, cure and aftercare. Therefore we move into the field of health as well as social services. Our policy of support must gain the broad population also through supporting small client- and patientgroups. We are willing to venture into unknown territory and take risks, but we also try to find economical co-operators in other foundations or in public authorities in order to anchor new reclamations.”* (p. 35).

### **3. Velux Fondene (Villum Kann Rasmussens Fonden and Velux Fonden) – The Velux Foundations**

*Years of founding:* 1971 and 1981

*Purpose:* To support a broad spectrum of charitable and non-for-profit and scientific purposes, such as cultural and artistic activities, medical science and volunteer activity.

*The Velux Foundation of 1981* has the special objective of supporting the activities of the older generation, as well as research in gerontology, and ophthalmology.

*The Villum Kann Rasmussen Foundation of 1971* has the special objective of awarding an Annual Award named after the founder. The award is given in recognition of particularly valuable work in the area of technical-scientific research that made a special impact on the understanding of the value and significance of daylight or a similar impact regarding industrial building components. This corresponds to the close relationship to the Velux Group known for the manufacturing of windows.

*Yearly grants:* about 100-120 million DKK

*Capital:* 1.2 billions

*Boards:* Villum Kann Rasmussens Fonden has six board members – all men.

Velux Fonden has five board members, three are women. The boards are self-supplying.

*Administration:* The secretariat has eight full time employees. The director is a man.

*Location:* The Foundation resides in the suburbs south west of Copenhagen – the modern and comfortable offices are situated in a factory building separate from the offices of the VKR-Group. They are difficult to access - even difficult to find - and the impression is absolutely modest.

*Reasons for inclusion in the sample:* The Velux Foundations are family foundations resting on the surplus from the Velux Group and the values of the founder. It has become one of the most important factors in the development of cultural life in Denmark, but the support for medical research is substantial – although more “invisible”. The children of the founder are still on the board and feel the work as a plight to society.

The foundations have their funds from the activities of the VELUX Group, known for the VELUX roof windows and skylights and other products for the building and housing sector. From yields and interests the foundations support a broad range of charitable aims and non-profit purposes.

The Velux Foundation is a typical family foundation resting on the surplus from the Velux Group and the ethical values of the founder. It has become one of the most important factors in the development of cultural life in Denmark, but also the support for medical research is substantial – although more “invisible”. The children of the founder are still on the boards and feel the work as an obligation to society. Now the grandchildren are being brought into the administration of the foundations – although it is “a balance between free will and obligation” as the oldest daughter of the founder explains it. The Kann Rasmussen family belongs to the five wealthiest families in Denmark – also counting the Lego Company and the shipping company AP Møller. The industry was started in 1941 and developed rapidly after the war. The principles of the business and the family were (and are) piety and thrift, and the goal was to be useful in society.

One of the important policies of the foundation is to weight teamwork and crossover co-operations between natural sciences and humanics – ethics and medicine. More than half of the grants go to cultural purposes – often of some national importance. During the years all present and former board members and an extensive range of advisors have meticulously and conscientiously worked to ensure that the grants will “*further scientific, artistic, cultural and social purposes, mainly to the benefit of Denmark and the Danish people.*” And this means that smaller grants for cultural purposes are seldom given, because the foundation wants to “make a substantial difference”.

The board is eager to find “objective” advisors when these larger donations are decided upon; – but finds this difficult because the art world is so small. One of the large donations during recent years has been 43 million DKK for a museum and research centre connected to the Jelling Stones (the unique runic stones telling the earliest history

of the kingdom of Denmark). Often grants are given for restorations of historic buildings. The foundation wants the contribution to be important rather than spectacular.

### *Grants*

During the past 30 years the foundations have provided grants of 1, 4 billion DKK to a wide variety of projects in accordance with the basic guidelines of the foundations. More than 1 billion DKK have been donated during the last decade.

<b>Veluxfondene</b>	<b>2001</b>	<b>2002</b>
Number of applications supported	185	211
Total number of applications	932	1206
<b>Total grants in DKK million</b>	<b>117,2</b>	<b>108,1</b>
VKR-fonden	65,5	49,1
Velux-fonden	51,7	59
Included: activities of the elderly	3,2	3,4
source: the Yearbooks		

In 2002 the VKR-fond donated 21 grants– this gives an average of DKK 2.34 million per grant. The largest grant was 6 million DKK for the Technical University of Denmark to buy equipment. In the same year the Velux-fonden donated 188 grants of which 159 were given to activities for the elderly. In this last category the average donation amounts to app. 20.000 DKK. Whereas the average amount in the remaining 29 donations is app. DKK 2 million. The largest grant was DKK 4 million given for research at the Danish National Art Gallery. The two foundations joined forces in four larger projects for exhibitions, building renovations and the purchase of a Stradivarius violin (DKK 14, 9 million).

The foundation is entitled to present *honorary awards* to people who have made a special impact on the understanding of the value and significance of daylight or a similar impact regarding industrial building components. This corresponds to the close relationship to the Velux Group known for the manufacturing of skylight-windows. The foundation also set up *scholarships* for young researchers visiting foreign universities – and for international researchers to visit Danish universities.

Every year the foundations receive about 2000 applications. Only about 200 – 250 can be complied with. The boards are worried that the politics of the government makes the situation worse because of the growing interest in the short term “utility value” of the foundations. In the annual report from 2002 it is stated that “*recent year’s public interest in the activities of non-profit foundations has increased considerably. This development is welcome, provided that it evolves from a sincere wish to understand the*

*role of foundations in a changing society. At the same time focus is increasingly being directed at the utility value of initiatives in the public as well as the private sector. The ambition of orientating research and education in a short-term profitable direction is getting more and more common. This attitude may lead to limitations and lack of risk willingness, and as a result, less capacity to meet future challenges. It is precisely this intermission between public and private activities that non-profit foundations carry a commitment to adhere to their own ideas and objectives within their charters, and thus contribute to breadth and versatility in the Danish society.”*

#### *Example of grants*

- ▶ Hi-tech rooms for students with disabilities at Egmont “folkehøjskole”
- ▶ Danish Design – a film documentary
- ▶ Premature aging diseases (research project)
- ▶ A permanent exhibition on a Brickyard Museum – preservation of industrial heritage
- ▶ Research on metabolic engineering and design of new cell factories
- ▶ The Trojan Horse. From Ulysses to Socrates. A Tale of Cognitive Awareness. (Research Project)
- ▶ Establishment of a Sense Garden at Hammel Neurocenter.
- ▶ Building renovation of the Presbyterian Church in Copenhagen

## **4. Carlsbergfondet – The Carlsberg Foundation**

The Carlsberg Foundation has a complicated set up and apart from being a foundation in its own rights it consists of and forms an umbrella for several departments:

The Carlsberg Laboratory (1876), The Frederiksborg Museum of National History (1878), The New Carlsberg Foundation and the Carlsberg Glyptotek Art Museum (1902), Carlsberg Mindelegat (1938), The Tuborg Foundation (founded in 1931 and included 1991) and finally The Carlsberg Academy (1997).<sup>26</sup>

Financially speaking the Carlsberg Foundation stands on two legs: a “brewery leg” and a “foundation leg”. The return on the brewery assets and the return on the foundation assets (i.e. the Foundations securities outside the breweries) form the main income (Glamann 1994). Of the brewery income 45% goes directly to the increase of capital in the New Carlsberg Foundation, 10% goes to the Tuborg Foundation, and the rest is divided among the remaining activities and used for discretionary grants the majority of which are made in response to applications.

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<sup>26</sup> In 1997 the home of J.C. Jacobsen – until then used as an honorary residence for renowned scientists – was converted into *The Carlsberg Academy* and is now used for scientific activities. Since its start the Academy has hosted 125 seminars and conferences with more than 6000 participants. A part of the building is still used as a residence for prominent, foreign guest scientists.

**Carlsbergfondet (The Carlsberg Foundation)**

*Year of founding:* 1876

*Purpose:* The aim is to promote research in natural sciences, mathematics and philosophy, humanities and social science – and to support 1. The Carlsberg Laboratory, 2. The National Historical Museum at Frederiksborg<sup>27</sup>. The statutes have from time to time been updated to adapt the development of society. The latest statutes are from 1977; but alterations have been made as late as 2001.

*Yearly grants:* In 2001: DKK 109.2 million – in 2002 the donations amounted to DKK 200.3 million.

*Capital:* In 2002: 8.144 billion, in 2001: DKK 2.526 billion – and in the year 2000 it was DKK 2.135 billion. According to the instrument of foundation The Carlsberg Foundation is the owner of minimum 51% of the share capital in Carlsberg Limited.

*Board:* During its 125 years The Foundation has been managed by a board of directors consisting of five members appointed by the Academy of Science in order to ensure that an obligation to science and research should be uninterrupted. There are, at present, no women on the board.

*Administration:* The secretariat consists of 13 employees – 9 are women including the head of the department.

*Location:* The founder, J.C. Jacobsen, wanted a building to house the Foundation as well as The Academy of Science. This was built after the death of Jacobsen according to his will in the centre of Copenhagen near the Town Hall and has since served as an imposing domicile for the two institutions.

**Ny Carlsbergfondet (The new Carlsberg Foundation)**

*Year of founding:* 1902

*Purpose:* The aim is to support and work for the best of Danish art and to support the art museum, Ny Carlsberg Glyptoteket.

*Yearly Grants:* In 2002 DKK 107.3 million and in 2001 DKK 64.7 million. During the years the Foundation has donated estimably 3 billion DKK in the currency of our time.

*Capital:* DKK 335.2 million in 2002, and DKK 329.9 million in 2001.

*Board:* Since 1902 only 17 individuals have been members of the 3-membered board of directors – five times a new chairman has been elected. The board is appointed by the management board of The Carlsberg Foundation. During the years two women have been members. The board now consists of two men and one woman.

*Administration:* The secretariat has 5 employees – all are women.

*Location:* The house in which the founder was born in 1811 (Bryggergården) in the old part of the city has been renovated to house the administration.

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<sup>27</sup> Each of these institutions has operating costs of app. DKK 30 million a year.

**Carlsberg's Mindelegat and Tuborgfondet**

The following two foundations are separate departments of the The Carlsberg Foundation. They have a common administration which employs 5 people (1 director and 4 other staff members) and is located on the premises of the Carlsberg Breweries.

*The Carlsberg Bequest in the memory of Brewer J.C. Jacobsen, the founder of Carlsberg* ("Carlsberg's Mindelegat for Brygger Jacobsen") was founded in 1938 to mark the 50th anniversary of the brewers transfer of the ownership of the brewery to the Carlsberg Foundation.

*Purpose:* Donations are given to projects of public utility and benefit to the Danish society – especially in the field of applied scientific studies. The foundation also donates scholarships for students in natural sciences. DKK 1 million is every second year set aside for smaller grants of max. DKK 15.000 given to groups of people for the implementation of new "creative ideas" and "local dreams" – the so called "Carlsberg Ide-legat".

*The yearly grants:* DKK 4 - 6 million are divided among app. 150-175 project. Since it was founded the foundation has donated app. DKK 200 million in current currencies.

*Capital:* The original capital was DKK 1 million. It is now through contributions from The Carlsberg Foundation enlarged to DKK 115 million.

*The board* of directors are appointed by The Academy of Sciences and by the board of Carlsberg Ltd. It now consists of 4 members – all are men.

*The Tuborg Foundation* (Tuborgfondet) originally set up in 1931 became a part of the Carlsberg Foundation in 1991 (following the merger in 1970 of the two big breweries).

*Purpose:* The aim is to support activities useful to society – especially to support economic life and business in Denmark.

The Tuborg Foundation typically donates smaller grants (less than DKK 50.000) for local cultural, sports and musical events, and has as a part of the Tuborg Foundation created "The green Foundation" supporting "green ideas" to make Denmark a more cheerful place to live in (Tuborgs grønne Fond). But donations also include support for groups of young students going on study tours abroad, and annual scholarships to Ph.D. students in business economy are awarded.

*Yearly grants:* Since it was founded the Tuborg Foundation has donated more than DKK 500 million (in current currency) to more than 11.000 projects. The grants in 2001 was DKK 20.4 million and in 2002 donations amounted to DKK18 million.

*Capital:* The Tuborg Foundation receives 10% of the Carlsberg Foundations brewery income – in 2002 this amounted to DKK 33 million.

*Board:* The members of the board are appointed by the board of Carlsberg Ltd., and the board now consists of five members of whom one is a woman.

The Tuborg Foundation publishes its own annual report.



### *History*

The Carlsberg Foundation is a very well-known – may be the best known – foundation in Denmark as well as abroad and is seen as the epitome of a “national foundation”. The Carlsberg Foundation has always been devoted to basic research, and the founder’s almost passionate relationship to science has never ceased to imbue the work of the foundation. The Carlsberg Foundation sees itself as having an exceptional status among Danish foundations. Both the early year of founding, the grant policy specifically aimed at scientific purposes and the way it is connected to the Carlsberg Breweries and its deep roots in Danish science and culture contributes to this uniqueness. As a saying goes: “Marble and beer in brotherly harmony” (Glamann 1976).

The Carlsberg Foundation was founded at a time in history when the state only to a smaller extent supported science and culture, and the founder wanted to support Danish science in a time, when the role of the state was very passive. He probably did not share the view that the state should contribute more, but he felt that he had to pay back his debt to society and to the Academy of Science, and he wanted Denmark to be known and recognized internationally.

The founder Jacob Christian Jacobsen (1811-1887) was the son of a brewer in Copenhagen who had gradually worked his way up, until he became a skilful master brewer according to the standards of the times, and was not only the independent owner of a brewery, but also a member of the board of The Royal Brew-House. This was during a period of decline in Denmark’s economy and not least in its industry – and furthermore the state controlled any kind of free enterprise up till the mid 1800s.

J.C. Jacobsen, who had learned his skills and business standards from his father, held it to be his mission in life to work on a scientific basis. Accordingly he established a laboratory to be used in the service of the brewery; but – as it must be stressed – the laboratory was also meant to make contributions in a broader scientific research context. This laboratory was an expression of Jacobsen’s respect and love for science as a part of the constructive forces of the community. He had no thought of pursuing personal aims in founding this institution; he gave striking proof of this when in the following year (1876) he set up the Carlsberg Foundation.

In the statutes of the foundation two aims were set up:

1. to continue the work of the Carlsberg Laboratory and
2. To promote the various natural sciences, together with mathematics, philosophy, history and linguistics.

In a letter to the Academy of Science he explains: *...Since an institute of this kind, intended for special studies, cannot thrive unless it is supported by that spirit, and irradiated by that light, which issue from the sciences as a whole; and since this light has been a source of happiness and contentment to me, it is of vital concern to me, as a part repayment of my debt, that I should also make a contribution to the advancement of the sciences in general; especially in those respects where it appears*

*to me that the State has not hitherto provided, and will hardly in the future be able to spare the necessary means.*" (Cited from: Pedersen 1956). Brewer Jacobsen also mentioned that he wanted the foundation always to operate to the benefit of science and to the honour of Denmark.

In 1878 – an addition was made to the objects of the foundation. After a fire Jacobsen had contributed generously to the rebuilding of the Frederiksborg Castle (built in the beginning of 1600s), and he suggested that a national museum of history was set up in the premises of the castle. Jacobsen's object was partly to restore the moral courage of the Nation after the paralysing war with Prussia in 1864 and to fortify the self-esteem and moral power of the people through the knowledge of history and inheritance from the ancestors. In 1882 the public got access to the collections.

In 1902 the son of Jacobsen, Carl Jakobsen and his wife Ottilia, set up the New Carlsberg Foundation (Ny Carlsbergfondet) as a part of the Carlsberg Foundation. The aim of this foundation was to support art, to promote the study of art and to maintain and run the art museum, The Carlsberg Glyptotek, in order "*to develop and satisfy the feeling and desire for art in our country.*" Carl Jacobsen's own large collections of art formed the basis for the museum, which contains one of the finest collections for antique art in Europe as well as outstanding collection of newer French and Danish paintings. The Carlsberg Glyptotek was to be the finest monument of Carl Jacobsen's endeavours. He made no compromises till the building was completed the way he had planned it, and as a final grand gesture he added one of the world's best collection of works of the French sculptor Rodin. The Glyptotek now owns 10,000 works of art and a huge collection of Egyptian and Roman art.

Behind the name "New Carlsberg" lies the story of a long and bitter family fight between the "old brewer" J.C. Jacobsen and his son Carl, who in 1881 as a consequence of this fight started his

own brewery and used the name "New Carlsberg". In a short history of Ny Carlsbergfondet during 100 years H.E. Nørregård-Nielsen (2002) comments "*The bitterness between father and son was reinforced by undignified arguments, and in the end the two did not want any relationship with each other. All of Copenhagen had been observing the unhappy development, and in foreign newspapers one could read sarcastic comments.*"

In 1882 however a will was drawn up which in fact denied Carl Jacobsen his paternal inheritance, but on the other hand ensured that the two breweries were given to The Carlsberg Foundation in order to keep up the high standard of the two companies. By then the Carlsberg Foundation already owned a considerable part of J.C. Jacobsen's fortune, and this final step made the Foundation the heir to his and his son's breweries.

The merger of 1970 between the Carlsberg and the Tuborg Breweries heralded an era of change during which the Carlsberg Foundation assumed new roles and responsibilities.

The foundation always had a dual role of foundation and brewery owner assigned by its founder, but the merger brought about new initiatives in grants policy and focus; and a policy of awarding postdoctoral scholarships has gradually developed. (Glamann 1994). In recent years – during the 1990s – the Carlsberg Laboratory has developed into an international cooperation between researchers.

The New Carlsberg Foundation has become the quintessence of Danish art, has given artists the blue print and has been trend setting. More than 14,000 works of art have been bought or supported, app. 1500 publications and just as many study tours have been subsidised. This however, also has caused critique and shortly speaking the board has been accused of being too preoccupied with their own likings.

In a time of globalisation the boards expect alterations in the management of the breweries and their relationship to the foundation. But still there is a conviction that The Carlsberg Foundation as a whole in the future will keep a prominent role in supporting Danish science and art, because the structure of the Foundation secures flexibility and because the foundation has a close relationship with researchers of all kinds.

As expressed in an interview for this study the chairman of the board of directors, Povl Krogsgaard-Larsen, explains:” *First and foremost we are subject to our statutes as they were drawn up by our founder, the old brewer Jacobsen. The statutes are imbued by his deep-rooted and unreserved respect for the sciences. And this respect has become the cornerstone for the activities of this foundation. We are – as our foremost activity – obliged to support basic scientific research.*”

### *Grants*

The so called free donations (i.e. not operating costs for Museums and Laboratories) pre-empt most of the assets of the Foundation. Some changes in policy have been remarkable during the last few years.

All four foundations under the Carlsberg umbrella have experienced a huge increase in applications: in 1976/77 the Carlsberg Foundation received 205 applications – in 2001 the number was 500 (not counting the applications that do not meet the guidelines).

Also the sum of the grants applied for also has grown significantly. Luckily the growth in the income of the Foundation has made it possible to meet some of the demands. As seen in the table below – in the last two years the total sum of the donations due to the good results of the breweries could be almost doubled.

Another pronounced feature of the grant policy is the growth of support for research grants for individual researchers. In the mid-1970s only 5% of the total sum of donations was used for this purpose. In 2001 the corresponding percentage was 60% and the centre of gravity has been towards postdoctoral grants.

<i>Carlsbergfondet</i>	Grants 2001 DKK million	Total number of applications	Number of applications supported	Grants 2002 DKK million	Total number of applications	Number of applications supported
The Carlsberg Foundation	109	App.800*	249	200**	App.800	263
The New Carlsberg Foundation	65	393	120	107	569	174
Carlsberg Mindelegat	4	575	152	6	589	174
Tuborgfondet	20	1879	465	18	2043	515
Total	198	2855	986	331	3281	1126
* not incl. 2 — 300 applications that do not fall within the frames of the guidelines ** including a special DKK 50 million to a reconstruction project at The Glyptotek. Source: The yearbooks and interviews.						

### *Example of projects in 2002*

The Carlsberg Foundation has implemented several large research programmes, among others “The dictionary of Danish Language”, analysis and publications of large collections of ethnographic and archaeological material and data, “A Dictionary of Danish Womens Biographies”.

For research, 218 grants have been donated in 2002.

The range is vast as these few examples show:

- ▶ research on Danish children’s acquisition of language,
- ▶ the writing of the Danish history of foreign policy,
- ▶ an entomological expedition to Western Greenland,
- ▶ archaeological excavations in Halikarnassos and
- ▶ several projects on biomolecular research and cell biology.
- ▶ In the Museum of National History several exhibitions and new acquisitions have been financed and a reconstruction of the baroque park has been completed.
- ▶ Maintenance of the Danish Institutes of Culture in Rome and Athens.
- ▶ For study-tours 20 grants have been given.
- ▶ Publication of 14 literary works and doctoral papers

From Ny Carsbergfondet

- ▶ about 60 museums and public institutions received donations of art from the foundation
- ▶ about 50 literary publications received support and several hundred works of art were purchased.

Apart from that the foundation has been reconstructing and building a new wing for the Art Museum: Glyptoteket.

From the Tuborg Foundation donations were typically given to

- ▶ Purchasing a grand piano for Esbjerg Music school
- ▶ The establishment of a “maritime room” in the aquarium in Helsingør
- ▶ Equipment for sports associations
- ▶ study tours for young people
- ▶ exhibition and dissemination of natural history and ecology.
- ▶ culture activities

## **5. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal – The A.P.Møller and Chastine Mc-Kinney Møller Foundation**

*Year of founding:* 1953

*Purpose:* To contribute to charitable purposes – among other things to support the Danish nationality in the border region between Denmark and Germany – also to promote Danish shipping and industry, promote relations with other Nordic countries, and support science (especially medical science).

*Yearly grants:* several hundred millions DKK– at present more than 500.

*Capital:* This is not considered to be public information. The assets are generated from a considerable amount of shares in The A.P.Møller – Mærsk Group.

*Board:* Seven members. Mr. Mærsk McKinney Møller (the chairman of the A.P. Møller – Mærsk Group) chairs the board of the Foundation. On the board are also two daughters of Mr. Møller. The charter claims that at least one member of the board must be a descendant of the testator or be married to a descendant.

*Administration:* In the secretariat concerning donations are 3-4 employees.

*Location:* A few offices located in a beautifully renovated old house – formerly the house of the commander of Copenhagen and the house where A.P. Møller started his career. The house is situated at the waterfront close the headquarters of the A.P. Møller – Mærsk Group.

*Reasons for inclusion in the sample:* The foundation has donated very large sums to spectacular projects – the latest being a sum of DKK 1,5 billions to a new opera house in Copenhagen. In these cases the foundation has a great say and influence on the development of the projects.

In this sample, however, A.P Møller Foundation has been chosen because of its focus on the Danish-German region (Sønderjylland /North&South Slesvig). The Foundation has built schools and churches south of the border to promote Danish language and culture in the now German South Slesvig. This is a so-called “country specific” purpose that originates in specific events in Danish history and in geography.

Around the turn of the 20<sup>th</sup> century many shipping companies were formed in Denmark. For many captains it was a dream to “set foot on their own bridge”. The majority started with a single ship and never developed any further. It was difficult to find financial support for such dreams – but in 1904 Peter Mærsk Møller and his son A.P. Møller (1876 – 1965) overcame local doubts and formed the first Mærsk shipping company, which showed excellent profits in the following years. Unlike many others, the company with careful planning survived the First World War and the recession after the war. And it gradually grew to become one of the largest shipping company in the world now known as the A.P. Møller – Mærsk Group.

A.P.Møller was known as a generous man and he gladly gave donations for causes with which he sympathised. He regarded his support of individuals as helping them to help themselves, but he preferred to give to large national causes such as The border region or Nordic aims. He received large numbers of requests and at an early stage he had to decide that with regard to donations he could not “be here, there and everywhere and mind the shop” (Hornby 1988).

In 1946 A.P.Møller set up a Family Foundation in remembrance of himself and his wife. A few years later, 1953, this Foundation was divided in two – the “Common Good Foundation” (Almen-fonden) and the Family Foundation. Most of the assets were transferred to the Almenfonden, and when Mr. Møller died in 1965 the heirs agreed to transfer a large amount of shares to the Almenfonden.<sup>28</sup> Thus the Foundation became the chief shareholder in the A.P. Møller – Mærsk Group, and its voting rights were to be exercised in the spirit of A.P. Møller. This means that the companies should “be kept well financed and build up useful business, while the dividend is of secondary importance” (cited from Hornby, 1988). A.P.Møller had a double purpose when he set up the foundations. He wanted to secure his company, his spirit of administration (and his family) *and* he wanted to support national causes for the benefit of the Danish community.

This foundation is known to be extremely discrete about its activities. No Annual Reports, no publications, no press releases are normal procedure. But even so – or perhaps because of that – it has become one of the most disputed foundations in Denmark. In recent years several very large donations have brought some peoples blood to boil. Critics have said that Mr. Møller short-circuits the democratic processes for instance by “simply deciding” that he wants a new opera house, where it should be built and who the architects should be. Others point out that it would have been possible for the politicians to decline the donation, if they had so wanted. The debate will be never-

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<sup>28</sup> A.P. Møller had in earlier years set up several foundations – since the 1920s regular donations had been given to North Slesvig and the Nordic cause. In memory of his son who died of polio in 1934 a memorial foundation was set up for the fight against polio. Later in 1959 The South Slesvig support foundation was established with the purpose of helping Danish-minded businessmen in south Slesvig. I 1960 the A.P.Møller Relief Foundation was founded to provide support for needing persons (or possibly their survivors) who were, or had been, employed in the A.P.Møller Group. (Hornby 1988).

ending. And a fact is that many recent projects will be of substantial visibility and landmarks in the built environment of the City of Copenhagen in the years to come. Naturally the Foundation itself finds these projects to be quite a mouthful: The ambition is to set some examples and hopefully push the development in the right direction.

### *Grants*

The total sum of the Yearly grants is not published – but (not counting the opera house) they amount to double figures in million Danish crowns. Including the opera house the donations in 2002 count more than 500 million. But each year the amount donated differs considerably.

The Capital was 7, 7 billions in 1997 – but a guess is that at present it is probably about 10-12 billion. The assets are generated from a considerable amount of shares in the original Mærsk steamship companies, now the A.P. Møller – Mærsk Group.

The Foundation engages in a mixture of grant-making and operating activities. The larger projects are often initiated by the Foundation or on very rare occasions in co-operation with other partners. But also many applications for smaller projects receive support.

The rather broad object clause of the charter makes it necessary for the board to decide on which areas to focus. Often several modest grants are given often according to the “help to self-help” principle all over Denmark; but as the aim is to support projects for the common good donations are not given to individuals.

In a newspaper interview the director of the Foundation explained *that “the main aim of the Foundation is not to get publicity but to support good projects. And this carries its own rewards. We do not need the Foundation to sell our products.”* (Krogh Andersen 2002).

<i>A.P.Møllers Almene Fond</i>	Year 2002	Total number of applications	Number of applications supported
Total Grants	More than 500 million	987	95 (= 10%)
<i>Included are grants for:</i>			
North Slesvig		85	Ca 15
South Slesvig		10	2

### *The special engagement in North and South Slesvig<sup>29</sup>*

The background for the special interest in the Danish cause in the border region (North and South Slesvig) is a strong national engagement inherited in the family through generations. The Møller family originally came from North Slesvig, they left the region and grieved that the beloved native soil had been lost to the Germans in 1864. It was a

<sup>29</sup> The support for projects in South Slesvig normally concerns rather large projects.

great disappointment to the family that South Slesvig was not fully returned to Denmark in 1920 – and again in 1945 when the opportunity arose again after the Second World War. In connection with the reunion of North Slesvig with Denmark in 1920 and the subsequent national disputes, larger, more regular contributions were made to Danish campaign funds. A.P. Møller supported the struggle in order to prevent Danish homes and land to fall into German possession.

When the foundation was founded in 1953 it was only a natural thing that the Danish cause north and south of the border should be supported. And over the years A.P.Møller is without doubt the one single person who has contributed the most to the Danish interests in the border region.

Since 1945 the situation in Slesvig has changed considerably. Even though the Foundation earlier has donated funds to Danish schools, kindergartens and assembly halls north of the border, the view is that there is less need for support of the national cause. The result is that the Foundation is now concentrating its efforts on activities south of the border. Although some projects in Denmark are being undertaken, like the restoration of Dybbøl Mølle (The Mill at Dybbøl), the symbol of the Battle of Dybbøl against the Germans in 1864.

But also south of the border the situation is different. Long years of reconciliation since the Bonn –Copenhagen Treaties in 1955 has meant that the Danish minority in South Slesvig – counting about 50,000 people – are now more integrated in Germany and in many respects working along with the the German authorities. The Danish Minority political party (Sydslesvigs Vælgerforening) stands to day as a party advocating for local and regional interests and environment almost as much as the Danish cause. The party even attracts many German voters.

South of the border the Foundation has over the years given much support in the form of single (smaller) donations, but as in the rest of the country larger donations are preferred; and the Foundation has a partiality for building projects that can form an “ever- lasting” impression. On the other hand money for operational costs is not offered. The activities south of the border nowadays focus on the following areas

- ▶ Danish civilization – (example : Flensborghus, headquarters for Danish organisations and associations)
- ▶ Danish schools and youth associations – (examples: Ladelund Efterskole – a boarding school for 14-17-year-olds ; and Eiderskolen in Rendsburg, a primary school – Danish Sport Centres (in Rendsburg)
- ▶ Danish churches ( in Flensburg and Husum)
- ▶ Danish press media (Flensburg Avis)

It should be stressed that the Foundation does not interfere with political matters although the board naturally has its own opinions and attitudes. In the newspaper



“Flensborg Avis” where the foundation holds a large amount of shares, there is no intervention into the editorial work.

### *Examples of other projects*

- ▶ Building and renovations of museums (Naval Museum /Orlogsmuseet : 24 million and Johannes Larsen Art Museum: 6 million, Bornholms Art Museum, Tønder Museum)
- ▶ Fregatten Jylland – renovation of renowned naval museum ship (60 million)
- ▶ Extensive archaeological excavations (Illerup Ådal, Ladbyskibet, Gudme/Lundeborg and conservation of Vikingships, Roskilde)
- ▶ Conference Hall at Cambridge University (100 million)
- ▶ University of Southern Denmark, building and operating The Mærsk Mc-Kinney Møller Institute of Production Technology (80 million)
- ▶ “Amaliehaven”, establishment of a park in Copenhagen (100 million)
- ▶ Opera House in Copenhagen (1.5 billion)
- ▶ Renovation of The Citadel in Copenhagen (36 million)
- ▶ Donations for Danish seaman-churches abroad
- ▶ Training Ships
- ▶ Student residences for students at the maritime schools
- ▶ Medical Scanners: Rigshospitalet, Herlev Amtssygehus, Århus Kommunehospital, Dr. Ingrid's Hospital i Nuuk, Gentofte Amtssygehus.
- ▶ Scholarships for Icelandic students studying in Denmark

## **6. Egmont Fonden – The Egmont Foundation**

*Year of founding:* 1920

*Purpose:* To prevent social and health problems and to promote activities and information that can enhance relations between people and the quality of life. The prioritised target group is children and youth.

*Yearly grants:* 30 millions (2001: 25.239 million, 2002: 22.223 million)

*Capital:* The assets are based on the fortune of the founder and the surplus of the Egmont Group.

*Board:* The board is self-supplying and has five members – all men.

*Administration:* Five people are employed with the administration of the grants, and ten people are working with projects (2002). The director is a woman.

*Location:* The offices of the Egmont Foundation are situated in the centre of Copenhagen in a small but comfortably furnished flat. The Foundation is keen to signal modesty and not to use funds for expensive rents or designers furniture. In the near future the Foundation will be moving the offices to more exclusive address.

*Reasons for inclusion in the sample:* The Egmontfonden has been included in this sample for two reasons – the quite narrow focus on children and youth and the inclination of the foundation to set the scene and start their own projects.

The board wants to make an impact in society and takes initiatives to do so. Furthermore the foundation has a mixture of grants for projects and economic support for individuals (charity), which is interesting.

The family and heirs of Egmont Harald Petersen set up the Egmont Foundation in 1920 following the father's will and encouraged by his widow. Mr. Petersen from a poor home but gradually built up a well renowned printing company, which was to become the largest in Denmark.

The Egmont Group publishes magazines and produces movie-pictures. The market focus is printed entertainment products for children published in 30 languages. Egmont works in 25 countries, trades about 8 billions yearly, and has 3600 employees in 110 companies, which generate funds for charitable activities of the Egmont Foundation. Egmont presents itself as a company with strong brands being visible in the everyday lives of millions of people. In the annual report 2001 it is said that “our role as cultural brokers places us under a dual obligation of quality and responsibility. Egmont is dedicated to meeting this challenge, which is the essence of our constant efforts to develop the business and generate funds for charitable activities.”

The Egmont Foundation's charitable activities concentrate on initiatives that can help bring lasting improvement to the lives of children and young people. The Foundation has an extensive experience of many years of work focusing on this issue – and it is pointed out by the board that the foundation prides itself of independence when it comes to the choice of projects supported, of speed and flexibility of action and, not the least, of demand for project evaluation.

The foundation seeks a holistic approach to charitable activities and therefore covers the physical, social, intellectual, cultural and emotional development of children and young people. Project development is one way to establish and demonstrate quality norms and models. The projects vary enormously – what they share is “vision, dynamism, and innovation”. The Foundation is very outspoken on their visions of promoting creativity and inventiveness, and also stresses that these words have little meaning without the skills and abilities to bring them to life. To this end the Foundation has seen documentation as an integral part of many of the projects. And although the Foundation for many years has been prioritising “projects with a practical purpose”, recently more interest has been concentrated on projects with a research focus. This is based on the view that it is important to generate more basic knowledge in order to develop new effective models and methods. The board also has developed more stringent requirements for embedding and implementing projects.

In order to ensure that the Foundation usually enters into a close dialogue with the applicants and makes certain demands of the projects. This is based on the conviction

that innovation based on solid preliminary work achieves the greatest power of penetration.

The Foundations also has a long tradition of initiating projects of its own. Thus the Foundation's administration implements various projects, which due to practical, economic or priority reasons would most likely be unable to happen within the framework of others. This working method springs from the desire to start at the very root of an unsolved problem. And the Foundation strongly stresses the importance of innovation and of pioneering projects that produce new knowledge and blaze promising new trails.

In a newspaper-interview the director of the Foundation explains that a lot of time is used being active and seeking out new projects. *"One of the aims of the foundation is to make sure that the next generation is "equipped" with the historical and cultural luggage, which my generation took for granted..."* (Krogh Andersen 2002). This is why the Foundation supports numeral projects on museums and other cultural events like the project "Film-X" – a media- and experience workshop for children and youth at the Danish Film Institute.

Usually Foundations in Denmark are not very internationally orientated. But The Egmont Foundation is an exception to this rule. The board of directors as well as the administration stresses international relationships and co-operations as important. Many companies own their money in foreign countries and as the chairman of the board explains *"We have the attitude that we should pay the money back where we earned them. To day most of the statues does not allow for international donations – but I think this will be different in the future."* (Krogh Andersen 2002)

### *Grants*

The Egmont Foundation has donated a total of DKK 680 million since its inception in 1920. At the end of 2001 the liquid reserve fund for charitable activities amounted to DKK 29,440.000. And the total grants in 2001 were app.DKK 25 million. About 9 million were used for social and health projects and 12 million for educational projects. To support film productions almost 2 million were donated.

The Foundation also has a tradition of donations for "individuals of poor social standing" in the "general assistance scheme". The total support in this scheme was in 2001 DKK 1.176 million and in 2002 DKK 1.162 million. The Foundation yearly received 5-600 written requests for this kind of grants and a little more than half of these applications were complied with. The aim of these donations is to improve conditions for children living under socially and economically unfavourable circumstances that limit their everyday opportunities for self-realisation. Christmas and holiday support is prioritised on the grounds that it is important to give children and young people positive

experiences to build their lives on. The families receiving donations are often headed by single parents with a poor economy. Often applicants ask for supplements to the ordinary student aid. However, the existing opportunities for this type of assistance are so numerous that the foundation does not consider a genuine need for such donations. In order to distribute the individual help in the best possible way to the most needy target groups the Foundation continuously keeps up a dialogue with certain local authorities, institutions and counselling centres. Semi-annual meetings are held with these bodies in order to update and adapt the Egmont scheme. All applications must be written by local caseworkers, – not by the individual applicants themselves.

The director regards this “poor-relief” as a kind of tinkering, which does not fit into the more pro-active and preventive visions of the Foundation. However, these donations are part of the statues and cannot be excluded. And as the cut downs in the public social assistance become more and more predominant the private helping schemes, which a decade ago seemed outmoded now become more necessary.

<b><i>Egmont Fonden</i></b>	<b>2001</b>	<b>Number of applications</b>	<b>2002</b>	<b>Number of applications</b>
<i>Total grants</i> (in DKK.1,000)	25.239	In total 1496. Of these 765 were projects – and 23 received support. 731 fell outside the guidelines	22.223	In total 1403 Of these 699 were projects – and 26 were supported. 681 fell outside the guidelines.
<i>Inclusive:</i>				
Social and health projects	9.397		11.521	
Educational and leisure projects	12.696		8.251	
Grants for film productions	1.970		1.289	
<i>Exclusive:</i>				
Aids to individuals	1.176	Of 658 applications 364 were supported	1.162	Of 580 applications 316 were supported

### *Example of projects*

- ▶ A considerable amount has been granted to the research project “Better health for mother and child” the aim of which is to highlight the importance of the pregnancy period and early childhood years in a number of illnesses. The research is carried out by The National Serum Institute and covers 100.000 pregnant women and their expected babies.
- ▶ A documentary focusing on children’s experiences of divorce from a child’s perspective
- ▶ “The Guide Project” offer young people with ethnic minority background an adult guide for their journey through the school and educational system, and on to a job.
- ▶ A “Music programme for patients in intensive care and recovery”.
- ▶ A programme for overweight children and their families – developing an interdisciplinary model for local embedment.

- ▶ Grant to prepare teaching materials for music education in lower secondary schools based on the symphonies of the Danish composer Carl Nielsen.
- ▶ Grant for a Danish Film Festival for deaf people.

For the time being the Foundation has four larger projects of its own.

In 2002 a total of DKK 5.761 million was spent on this. The four projects are:

- ▶ “Vil:kan” is a three-year research and development project offering direct psychological counselling to children and young people from 3 – 18 years of age, whose parents or sibling have been struck by death or life-threatening illness.
- ▶ “Children’s Centre for Rehabilitation of Brain Injury” – established in 1999 for research and development.
- ▶ Contemporary art and Youth – a three year experimental project concerning communication of contemporary art to students in upper secondary schools.
- ▶ “Project Lithuania”. Although The Egmont Foundation traditionally and according to its statutes finds it important that the projects are rooted in Denmark in recent years cross-border projects have been developed. A project in Lithuania has in co-operation with the Open Society Foundation worked on developing democracy in practice in the Lithuanian day care centres. The project implies educational programmes for pedagogues monitored by a Danish College of Social Care and Education

One very important project, for which The Egmont Foundations has become well known, was the donation for the renovation and rebuilding of the National Museum in the 1990s. Egmont donated DKK 142 million, which at the time was the largest sum donated by any Danish foundation for a project in Denmark. And further more this donation was given in a “joint venture”: the state paid two third and the Egmont foundation one third of the sum needed for the project.

## **7. Enkefru Plums støttefond – The Plum Foundation**

*Year of founding:* 1998

*Purpose:* The charitable object of the foundation is to support the promotion of human rights, ecological causes and non-violent conflict resolution, and to encourage democratic involvement.

*Yearly grants:* app. 2 millions

*Capital:* 83 million

*Board:* The board members originally were handpicked by Lise Plum herself. They were individuals she trusted and whom she felt could realise her ideas. Only few of these original members are left. The board is self-supplying and now consists of eight members – four (Including the chair) are women.

*Administration:* The secretariat consists of

*Location:* The Foundation does not have its own offices but is administered from – and has its address at – a lawyer’s office.

*Reasons for inclusion in the sample:* This foundation is set up on the grounds of Mrs. Lise Plum's will. The outspoken political and international focus on ecology, environment and international peace combined with an individual will makes the foundation outstanding and "new" in the world of Danish foundations.

Born in 1916, Lise Munk Plum was the daughter of a wealthy businessman. Around 1960, together with her husband Niels Munk Plum, who was an active member of the Danish resistance movement during the German occupation of Denmark 1940-45, Lise Munk Plum pioneered the establishment of the Danish anti-apartheid movement that was later to have a major influence on developments in South Africa.

Already in the 1980s Lise Plum informed the Danish public about the suppression of the Palestinian people and furthermore initiated support to the Palestinians.

The couple also helped nurture the emerging Danish disarmament movement, supporting its efforts to halt the nuclear arms race (being in opposition to top Danish politicians and major business interests). They were among the first to recognise the need for ecology, highlighting its importance for issues such as flora, fauna and human nutrition as well as environmental pollution, both locally and globally.

Support of grass root organisations also benefited opponents of Danish EC/EU membership. It was pointed out that the aim of the Brussels project was gradually to establish a new European state with its own centralised legislation, military and fiscal policy (single currency), judiciary and police force. Leading politicians and business organisations dismissed these predictions when they were first put forward around 1970, but it is now known that these events are taking place. The couple's support for information about the EU-project was not least sustained by a desire to uphold and develop Danish democracy rather than allowing it to be replaced by a system which – as they believed – *"does not embrace the basic principle of respect for civic influence and participation, and where control of emerging power structures is not fundamentally guaranteed"*.

With her interest in ecology, Lise Plum was asked to open the first organic restaurant in Denmark.

This was done in an old part of the city, Nyhavn, and the old building was converted and re-designed for its new purpose with respect for its original ambience. To this day it remains a well known and much respected organic restaurant.

According to this background the clause 4 of the Foundation statutes contains the following provision:

The Object of the Foundation is to provide for non-profit making and charitable causes, with special focus on supporting national and international causes that promote:

1. Respect for *human rights* as set out in the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations on 10 December 1948 and its associated conventions.
2. Research and development related to *ecological sustainability*, nationally and internationally. However, the Foundation does not grant support in the form of operating subsidies to individual farms or other enterprises with commercial goals.
3. *Conflict resolution by non-violent means*. In this context the term conflict means conflicts of a social, ethnic or similar nature between individuals. The Foundation's charitable purpose implies the provision of support that will lead to rapid resolutions of such conflicts. If the UN recommends a preferred form of settlement, support shall be provided to achieve rapid resolution as far as possible in accordance with such recommendation. The involvement of internationally recognised organisations already operating in the area will be preferred.
4. To *encourage democratic involvement* and respect for minority groups in accordance with the principles set out in "Folkeskoleloven" (the act of the primary and lower secondary school education in Denmark).

### *Grants and activities*

The board works to seek out its own projects to support. And in principle the foundation does not receive applications but in practise – as the foundation gradually get more well know in the public – more and more applications have been accepted.

In 2002 the total amount given was DKK 3.151 million to comply with 40 projects/applications – this gives an average grant of 75 – 80.000 DKK. The largest donation was DKK 300.000.

Seven applications were not complied with.

<b>Plum Fonden</b>	<b>2001</b>	<b>2002</b>
Total grants in DKK million	2.5	3.2
Total number of applications	?	47
Applications supported	?	40

These 40 projects were distributed as follows:

Film-productions (6)

Publications of books and magazines and web designs (8)

Conferences and workshops (7)

Travel-support in relation to EMHRN investigations (4)

Support for campaigns, demonstrations and advertisements (6)

Other projects (9)

Many of the projects are related to the Palestinian cause – setting up school-kitchens, supporting Peace Corps, documentation on living conditions etc. But also general initiatives for peace and peace demonstrations have been supported – recently in connection with the Iraq war. Other donations have supported ecological farming – in one example on a small island where the farmers were being harassed by Arla, the manufacturer that holds almost a monopoly on production of dairy products.

The foundation occasionally gives out a prize in order to honour an outstanding individual who in practice has “lived out” the some of the visions of the foundation.

In an address made by the chair of the board on the occasion of an award of DKK 100.000 given to the Jewish journalist Amira Hass for her work in Palestine. The following statements were made:

During a trip made by some members of the board to the occupied territories in Palestine *“the old men invited us for tea in the small square in the village. More gathered around us and they said: If you really want to help us, go back to your country and tell what you have seen. And this is precisely what our recipient of the Plum foundation Prize, Amira Hass, has done for many years in the Israeli newspaper Haaretz. ...her intentions are clearly to inform and document and she is far from uncritical towards the Palestinian leadership, but always feels solidarity with the civilian population ...”*

Finally the Plum Foundation has its own publications. Seven reports and books have been published since 1998:

About Power and democracy in Denmark and other countries. (The Book of Power, 1998 and 2002).

About nuclear power (Detailed technical description of the dangerous hidden safety factors of the Ignalina Nuclear Power Plant – 2000).

And about human rights (The plight of civilians – report from the first international hearing on the human rights situation in the occupied territories, Gaza and the West Bank. 2001)

## **8. Fonden Realdania – The Realdania Foundation**

*Year of founding:* 2000

*Purpose:* To support non-profit and charitable activities in the building sector in all parts of Denmark. To improve the quality of life in the built environment by creating new and preserving existing qualities in the built environment in Denmark.

The foundation has five focus areas

- a. Better urban qualities
- b. Preservation of historic and cultural heritage
- c. Higher quality and more efficient building activities



- d. Better housing – new ways of living and ownership
- e. broader information about architecture, design and good craftsmanship

*Yearly grants:* 250 million (2001) 318 million (2002)

*Capital:* 23, 5 billion

*Board:* Ten members – one is a women

*Administration:* The Foundation has 22 employees of whom 9 are women. The administration handles applications, initiates projects and safeguards the interests of the investments.

*Location:* Newly built domicile at the harbour-waterfront in Copenhagen designed by the well known architectural firm Henning Larsen. The house is built in glass, copper and concrete. It gives a magnificent view of the harbour and mirrors the historical buildings in the neighbourhood area. The offices are filled with modern art and design.

*Reasons for inclusion in the sample:* Fonden Realdania is very young and still quite unknown – but is one of the largest – may be the largest foundation in Denmark. It has in only a few years contributed to important renovations and enlargements of museums, schools and theatres. And the rumour of the enormous assets of this foundation is now spreading rapidly. Realdania is furthermore a “modern” foundation in the way it is constructed, which has not been seen before in Denmark.

The capital of the Foundation originates in the late building society (Kreditforeningen Danmark of 1851) which went into a merger with the BGBank. The real-estate business then was integrated in the bank and the capital of the building society and the surplus from the trade was converted into a foundation. The intention is to donate at least DKK 200 million (EUR 27 million) annually supplemented by special investments. The Board has decided that the real value of the assets shall be preserved and that the earnings after tax and administration can be donated according to the objectives.

However it should be noted that although Realdania in practice operates like a traditional foundation with a board of directors fulfilling the obligations of the statutes, the construction of this foundation also implies memberships. The Statutes makes it clear that The Members Council is the highest authority.

The year 2002 was only the second working year of Realdania. And – as written in the foreword of the annual report 2002 – the organisation and the working methods of the foundation is now coming out more clearly. Realdania is focused on two main issues: The work of the Foundation and the business of investments. Realdania behaves like a foundation and the aim is charitable activities. Still, according to the statutes of 2002 Realdania has members (242.264 of the former members of the building society confirmed their membership) and is ruled by a representative council.

The new statutes stresses the society’s new status as a foundation and the obligation and responsibility of Realdania to guard , invest and donate the large capital build up during

the last 150 years in order to use the assets in the best possible way according to the statutes.

The foundation concentrates its activities on five focus areas:

- a. New quality in the cities – development quality of architecture in the cities as well as better living conditions
- b. securing historical (national) heritage
- c. promoting better quality in housing
- d. exploring new ways of ownership and better forms of housing
- e. Promoting broader information about architecture, design and good craftsmanship and better building traditions.

The ambition and vision of the foundation is certainly to be proactive – and through innovative projects to “make a difference” and an impact in society. Realdania gives out donations on the basis of applications and requires careful clarifications of quality and potential of the projects in a close dialogue with the applicants. But the foundation also promotes and initiates own projects. These are often so called “Flagships” planned in co-operation with other partners – the state or other foundations – and Realdania takes on a responsibility to carry through the projects in good standing. The Flagship-projects are significant and often economically heavy, and they are meant to make a visible difference in the “building environment”. Also, the Flagships stretch across several of the five focus areas.

There is a strong wish to make sure that the quality and standard of the projects will be of use for as many people as possible and make a difference to architecture and the building sector. This vision is explained in the following policy statements:

1. We want to bring about change and development by implementing “flagship-projects”.
2. We want to support the creation and promotion of new knowledge by supporting research and “cross border” projects
3. We want to be proactive –by taking initiatives as opposed to “wait and see”
4. We want to create partnerships that commits and formalise local, regional and professional bodies.

### *Grants*

The assets of the Foundation are app. DKK 23 billion. The board has decided that the real value of the assets shall be preserved and that the earnings after tax and administration can be donated according to the above objectives.

In its first two years of grant making The Realdania Foundation has donated more than half a billion Danish crowns: 250 million in 2001 and 318 million in 2002. Of this DKK 219 million were given to different projects within one of the five focus areas. For Flagship- projects DKK 349 million were used.

In 2002 the largest focus areas were “new quality in the cities” (31 million) and “securing historical (national) heritage” (app. 55 million).

<i>Fonden Realdania</i>	2001 Grants in DKK million	2001: Number of applications supported (received)	2002 Grants in DKK million	2002: Number of applications supported (received)
Total	250	92 (485)*	318	126 (585)*
<i>Included:</i>				
Focus Projects	101	86	118	119
Flagships	149	6	200	7
* This means that about one out of five applications has received support. However, the actual number of applications is difficult to add up, because many applications has beforehand been assessed not to be of interest or not to fit the purpose of the foundation.				

### *Examples of Projects*

“Kap-Handi” is a project working on better accessibility for disabled persons in the cities. The aim is to cover 80% of the Danish towns in two years.

“Opzoomers” aims to make the individual citizen more active in his/hers own local environment based on the idea that “if you want something you have to do something”.

- ▶ Several projects of demonstration to show how old manor houses can be restored.
- ▶ Building of an apartment building demonstrating the use of environmental sustainability combined with a high architectural standard.
- ▶ Research project on the future of housing policy
- ▶ A documentary on Scandinavian architecture
- ▶ New knowledge about thatched roofs and thatchers.

### *Flagships*

- ▶ Urban renewal in the town of Kolding
- ▶ Establishing a Council of Building Culture, Handicraft and Good Workmanship
- ▶ Center for Culture at Fuglsang Manor House (music, art, theatre, horticulture)
- ▶ The building of a Music Hall in the town of Aalborg

### **Eight foundations in summary – 2002**

As shown in the table below the eight foundations cover the last 125 years of foundation history – being founded between the year 1874 and the year 2000. There is no connection with the year of founding and the size of assets and grants. Large/small donations come from as well young as old foundations.

- ▶ All in all the eight foundations have a capital of 34.033 billion DKK – and this is a low estimate because the Egmont Foundation and the A.P. Møller Foundations could not be included as they do not publish this information. A qualified guess would be that if these two foundations were included the total assets would be raised by 10 – 15 billion DKK.
- ▶ About 13 billion DKK were donated in 2002 – and this amounts to app. 27 percent of the total assets (incl. Egmont and A.P.Møller). But as the table also shows the sum of yearly donations differs greatly – from 1 million in Copenhagen's Charitable Association to 331 million in The Carlsberg Foundation and more than 500 million in A.P. Møller and Chastine Mc.Kinney Møllers Foundations.
- ▶ The foundations received in total 9554 applications in 2002 – The smallest number being 47 in the Plum Foundation and the largest 1417+580 applications in the Egmont Foundation. Oddly enough the number of applications a foundation receives does not always correspond to how much money the foundation can donate. There is seemingly no logical connection between the number of applications and the expected donations. Copenhagen's Charitable Association donating 1 million DKK a year and The Realda-nia Foundation, whose yearly donations amount to 318 million DKK both receive approximately the same amount of applications.
- ▶ The foundations differ significantly when looking at the percentage of applications complied with. All in all about 28% of all applications are supported. But while a few foundations try to comply with as many applications as possible the more common trend is to choose projects to fit the present policy of the foundation. An extreme case of prioritizing is found in the Egmont Foundation, where in 2002 1403 project-applications were received and 26 – merely 2% – were supported.
- ▶ The boards have between 3 and 11 members. All in all 68 board members are engaged in the work of these eight foundations.
- ▶ Of those 14 (or 21%) are women. Three of the chairs are women. This gives a relatively high share of women (38%) compared to the share of board members.
- ▶ The foundations all have their own administration varying in size from 1 to 23 employees. All together 68 employees work for the eight foundations – 44 (or 65%) of these are women.

APPENDIX: Case-study summaries

	<i>Year of founding</i>	<i>Capital in million DKK</i>	<i>Sum of Yearly grants in million DKK</i>	<i>Number of Yearly applications</i>	<i>Number of applications supported</i>	<i>Board members</i>	<i>Administration</i>
1. Københavns Understøttelses forening	1874	23	1	Not published	552 (almost all)	3 members no women	1 employee (a man)
2. Helsefonden	1973	600	30,3	654	202 (= 31%)	7 members 2 women incl. chair	4 employees 3 women
3. Veluxfondene	1971 1981	1200	108	1417	211 (= 15%)	11members 3 women incl. chair	8 employees 6 women
4. Carlsberg fondet	1876 1902 1931 1938	8627	331	3281	1126 (= 34%)	17members 2 woman	23 employees 18 women
5. A.P. Møller og Chastine Mc Kinney Møllers Fond	1953	Not published	More than 500	987	95 (= 10%)	7 members 2 women	3-4employees 2 women
6. Egmont Fonden	1920	Not published	222	1403 projects and 580 individuals	26 projects (= 2%) and 316 individuals (= 55%)	5 members no women	5 employees 5 women
7. Plum Fonden	1998	83	32	47	40 (= 85%)	8 members 4 women (incl. chair)	1 employee (a woman)
8. Realdania	2000	23 .500	318	585	125 (= 21%)	10members 1 woman	22 employees 9 women
Total	From 1874 to 2000	34.033 billion (Egtmont and AP.Møller not incl.)	13.137 billion (a low estimate)	9554	2693 (= 28%)	68members 14 = 21% women (incl. 3 chairs 38%)	68 employees of these 44 = 65% are women